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ROYAL COMMISSION ON DOMINION-PROVINCIAL RELATIONS

REPORT OF HEARINGS

[Quebec]

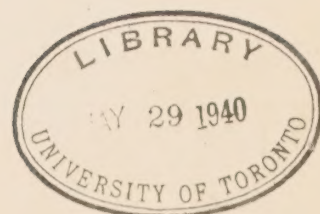
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QUEBEC, Québec, MAY 12, 1938

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ROYAL COMMISSION ON DOMINION-PROVINCIAL RELATIONS

 QUEBEC, QUEBEC, MAY 12, 1938

The Royal Commission appointed to re-examine the economic and financial basis of Confederation and the distribution of legislative powers in the light of the economic and social developments of the last seventy years, met at Palais De Justice, Quebec City, Quebec, on Thursday, May 12, 1938, at 10.30 a.m.

PRESENT:

COMMISSIONER JOSEPH SIROIS....ACTING CHAIRMAN

JOHN W. DAFOE, Esq.)	
DR. ROBERT ALEXANDER MACKAY	)	Commissioners
PROFESSOR HENRY FORBES ANGUS)	

Commission Counsel:

Louis S. St. Laurent, K. C.

Secretariat:

Alex. Skelton, Esq.	Secretary
Adjutor Savard, Esq.	Secrétaire Français
R. M. Fowler, Esq.	Legal Secretary to The Chairman
Wilfrid Eggleston, Esq.	Assistant to the Secretary

FOR THE GOVERNMENT OF THE PROVINCE OF QUEBEC:

J. E. Beaulieu, Esq. K. C.

FOR THE MONTREAL BOARD OF TRADE:

Owen Lobley, Esq. Representative

FOR THE MONTREAL CHAMBER OF COMMERCE:

Mr. René Morin Representative

Palais de Justice,
 Québec, Qué.
 le 12 mai, 1938.

SEANCE DE L'AVANT MIDI.

La Commission se réunit à 10.30 A.M.

LE PRESIDENT:

"Messieurs,

La Commission royale des relations entre le Dominion et les provinces poursuit à Québec l'enquête commencée en novembre dernier à Winnipeg, et continuée à Régina, Halifax, Charlottetown, Victoria, Edmonton, Toronto et Ottawa.

Permettez-moi dès le début de cette séance de regretter la maladie de notre Président qui l'empêchera pendant quelque temps de prendre part à nos délibérations. Nous profitons largement du prestige que valent au Juge en Chef d'Ontario, l'honorable Newton W. Rowell, sa grande science légale, son expérience de la vie, sa connaissance des hommes et des choses, son tact remarquable, sa courtoisie souriante. Un repos assez prolongé lui permettra de mener à bonne fin l'oeuvre qu'il a commencée et à laquelle tous quatre: mes collègues, Messieurs Dafoe, MacKay et Angus, et moi-même, sommes si heureux de collaborer dans la mesure de nos moyens respectifs.

Je vous dois d'abord quelques explications sur le rôle de notre Commission. Voici ce que dit l'Ordre en conseil qui l'a constituée:

3. Que sans que soit limitée la portée générale de leur enquête, il soit tout particulièrement enjoint aux commissaires:

a) d'examiner le mode constitutionnel de répartition des sources de revenu et des charges

entre le gouvernement du Dominion et ceux des provinces, d'établir les résultats de la dite répartition et s'assurer si son application convient aux conditions actuelles de même qu'elle sera appropriée aux conditions futures;

- b) de s'enquérir du caractère et du montant des taxes perçues au Canada, de considérer celles-ci du point de vue légal, constitutionnel, financier et économique, et de déterminer si l'imposition, telle qu'actuellement répartie et effectuée, est la plus équitable et efficace qui se puisse concevoir;
- c) d'examiner les dépenses et les dettes publiques en général afin de déterminer si la présente répartition du fardeau administratif est équitable et si elle favorise une administration efficace; de préciser la faculté qu'ont les gouvernements fédéral et provinciaux de s'acquitter de leurs responsabilités gouvernementales sous le régime de la présente répartition des fonctions et pouvoirs publics ou en vertu d'une nouvelle répartition qui pourrait en être faite;
- d) d'étudier les subsides et octrois du Dominion aux gouvernements des provinces;

A la clause quatre on dit :

4. Qu'il soit enjoint aux commissaires d'étudier les faits révélés par leur enquête et d'en faire rapport, et de dire de qui, à leur avis, — sous réserve du maintien d'une réparti-

tion des pouvoirs législatifs nécessaires au fonctionnement de notre système fédéral, aux besoins du pays et à l'unité nationale, - sera le plus propre à maintenir d'une part un état d'équilibre entre la capacité financière et les obligations et fonctions de chaque gouvernement, et à favoriser, d'autre part, l'acquiescement plus efficace, indépendant et économique des responsabilités gouvernementales au Canada."

Cette citation est plutôt longue, mais elle était nécessaire, je crois, pour bien représenter dans quelles conditions notre travail doit s'exécuter et s'exécute.

Pour préciser davantage notre pensée sur ce point, il est impossible, je crois, de faire mieux que de citer les paroles de notre président, prononcées à Toronto le 2 mai dernier:

"We were not appointed and we do not understand our function to be, to revise the constitution. This is not the purpose for which this Commission was appointed, nor do we intend that to be our object. We are a fact-finding body, it is our duty to investigate, ascertain the facts and make our report. If on the facts as we find them it would appear that there should be some change in the financial relations between the Dominion and the Provinces, it is our duty to recommend what those changes should be, but our recommendations must be within the strict limits of a Federal Constitution.

"Any report which we may make will depend for its value on its inherent merits. It may be good or bad. Its value will depend solely upon its merits.

The report, of course, must be followed by a conference such as you have suggested, or some method whereby the Governments of the Dominion and the provinces meet together and confer on those various problems with a view to their solution....."

Encore une fois , Messieurs, je ne vois pas comment j'aurais pu mettre plus clairement devant vous la façon dont nous comprenons notre rôle, qu'en citant ainsi ces paroles de notre Président .

En terminant , vous me permettrez de vous faire remarquer que la tâche qui nous est confiée est extrêmement lourde. Dans un pays comme le nôtre, s'étendant de l'Atlantique au Pacifique, de la Frontière américaine à l'Océan Arctique, avec des commerces, des industries d'ordre si différent, il est bien difficile de réconcilier les vœux, les désirs et les intérêts. Il nous est absolument impossible même de tenter la réalisation d'une pareille tâche si nous ne recevons l'aide des gouvernements, des associations, des corporations et même des diverses dénominations religieuses. Nous serons heureux de recevoir le concours de tous ceux qui voudront bien nous l'accorder. Nous pourrions peut-être ne pas réussir dans la tâche qu'on nous a confiée, mais une chose certaine, ce ne sera certainement pas par absence de bonne volonté."

THE ACTING CHAIRMAN: Gentlemen: The Royal Commission on Dominion-Provincial Relations, opens its sittings in the City of Quebec, after having started its work at Winnipeg, and held hearings in Regina, Halifax, Charlottetown, Victoria, Edmonton, Toronto and Ottawa.

Allow me to express my regret that sickness will prevent our Chairman from taking part in our deliberations for some time.

Our Commission largely benefitted from the prestige which the Chief Justice of Ontario, the Honourable Newton W. Rowell held on account of his great learning, his knowledge of men and things, his keen mind, his remarkable tact, his smiling courtesy. A rest will allow him to resume with us and complete the work begun, and in which my colleagues: Messrs. Dafoe, Mackay and Angus, and myself, are so happy to collaborate.

This Commission has been appointed under very trying conditions. The framers of our Constitution showed wonderful foresight. I must say that, to date, our investigation has proved the magnitude of their task, a task met with a wisdom and care which we can never sufficiently admire and praise.

However, the depression of the last seven or eight years, following the underlying changes which have occurred in the last seventy years, has brought to light certain difficulties in Government finances (both federal and provincial) which have led to the creation of the present Commission. Our authority is to be found in the Order-in-Council, the French text of which I have just read.

Briefly, our main function is to re-examine the

economic and financial bases of our federation, and of the distribution of legislative powers in the light of the economic and social development of the last seventy years.

I am sure everyone will agree that this is as big and difficult a task as could be committed to any body of men to perform.

In such a country as Canada, extending from the Atlantic to the Pacific, from the American border to the Arctic Ocean, with provinces on the shores of two oceans and others landlocked, and two at the head of or along large waterways, with industrial, deep sea fishing and agricultural provinces, the interests are of necessity different and even seem opposed to each other.

It will be our task to suggest, if possible, means to conciliate these interests so as to allow the federal and provincial authorities to function smoothly and harmoniously within the properly defined limits of their respective jurisdictions. I have said "suggest" because we were not appointed to do more. Our Chairman has expressed our views in the following words, and I could not improve on his way of putting it:

" We were not appointed and we do not understand our function to be, to revise the constitution. That is not the purpose for which the Commission was appointed, nor do we intend that to be our object. We are a fact-finding body. It is our duty to investigate, ascertain the facts and make our report. If on the facts as we find them it would appear that there should be some change in the financial relations between the Dominion and the provinces, it is our duty to recommend that those changes should be, but our recommendations must be within the strict limits of a Federal constitution

" Any report which we may make will depend for its value on its inherent merits. It may be good or bad. Its value will depend solely upon its merits. The report, of course, must be followed by a conference such as you have suggested, or some method whereby the Governments of the Dominion and the provinces meet together and confer on those various problems with a view to their solution"

It is practically impossible for us even to attempt such a task if we do not receive every possible help from the different governments, associations and corporations, as well as churches. We welcome any assistance we can secure. We may fail, but it will certainly not be for lack of good will and devotion to duty on our part.

I understand that the province of Quebec is represented by Mr. Beaulieu, of Montreal

MTRE. J. EMERY BEAULIEU, C.R. , de la part du
Gouvernement de la Province de Québec.

" Monsieur le Président;

Messieurs les Membres de la Commission;

Au nom du Gouvernement de la Province de Québec
que j'ai l'honneur de représenter pour l'instant, je
suis heureux de vous accueillir la bienvenue, et
vous conviendrez sans doute que, dans cette pro-
vince de langue française, et dans la vieille ca-
pitale de cette province, c'est en français que
doivent vous être présentées les premières saluta-
tions officielles.

Nous nous joignons aux regrets que vient
d'exprimer votre Président à propos de la maladie
de l'honorable M. Rowell, et nous formons des vœux
pour son prompt rétablissement.

Au président de la Commission, à celui
qui le remplace et à tous les Membres de cette Commis-
sion, j'offre l'hommage respectueux de la province.

THE ACTING CHAIRMAN: Mr. Dafoe, on behalf of our colleagues will you please answer Mr. Beaulieu.

COMMISSIONER DAFOE: Speaking on behalf of my colleagues and myself, I am glad to acknowledge the welcome which has been extended to us by the Province of Quebec. This is the eighth provincial capital which we have visited, and I think we have been progressively impressed with the responsibility we have assumed, and with the opportunities which may be ours to make a worthwhile contribution to the discussions and the adjustments with which we will be faced in the future as in the past. To that end, the utmost frankness is to be desired. What we desire to know for our own enlightenment are the divergent views, the statements of difficulties, the supposed needs for adjustment in order that we may have a complete exposition of the difficulties of the situation; and therefore the Commission welcomes statements of facts or policies, or of opinion. We are thoroughly familiar with the terms of reference, we know the responsibilities it puts upon us, and we realize the limitations implicit in that reference. As I said before, if we secure in all the provinces the frank views of the governments, supplemented by the extremely valuable contributions that are made by organizations of one kind or another, we will be the better fitted to discharge the duties which we have accepted, I think, not in any light-hearted manner, and to give the judgment of a board of five ordinary Canadian citizens, imbued, I trust with as true conciliatory and patriotic spirit, as to the problems as we see them, and as to those strains, to which, it must be obvious to all, the confederation of Canada is now being subjected. I think we have a very special sense both of our obligations and our responsibilities here in Quebec because it was in this city over seventy years ago that the

the miracle, - - and I use that word deliberately - - the miracle of Confederation was achieved in intention, in the face of difficulties and obstacles far outranking any of the difficulties of to-day. No one can read the Confederation debates or the statements of the public men of that time without marvelling at their tolerance, their foresight, their wisdom and their judgment. I am not one who thinks that Confederation has been in any sense a failure, putting its achievements on one side and its weaknesses on the other. I think it still remains true that a great enduring work was done by those Fathers of Confederation here in your own City of Quebec. But I am sure that those, who like myself, have lived over the whole period of Confederation, and as well the young people who are coming up and are imbued with the spirit of Canadianism are equally aware that the time has come for a reconsideration, in the spirit of Confederation, and, if possible, by men of equal vision, of these problems. Certainly, we are not called upon to solve the problems - - that would be far beyond the terms of our reference. But, I trust that we shall give the people of Canada some observations which may be of value to them in dealing with the consideration of these questions and in adjusting them by, of course, the time-honoured, respected method by which adjustments are made, by the action of parliamentary government and by the procedure of conferences in which all parts interested will have their due representation.

I thank you, Sir, for your kind reference.

M^{RE} J. EMERY BEAULIEU , C.R., représentant le
Gouvernement de la Province de Québec :

"Monsieur le Président, votre Commission a été nommée en vertu d'un arrêté ministériel émanant du gouvernement fédéral et vous avez été chargés, entre autres choses, " to examine the financial "position of the several governing bodies, and to "determine if efficient government throughout "the country is feasible under the present set "of constitutional limitations and, if not, to "recommend some form of reallocation of financial "opportunities and responsibilities."

Le gouvernement de cette province se croit obligé de déclarer solennellement qu'il ne reconnaît pas au gouvernement fédéral le droit de conférer, de sa seule autorité, soit à une commission, soit à un individu, le droit de faire enquête sur la situation financière des gouvernements provinciaux. Sous l'empire de notre système fédératif, chaque province, dans la sphère qui lui est propre, constitue un état autonome, jouissant de toutes les prérogatives d'un état souverain et nullement assujetti au pouvoir fédéral. Le gouvernement fédéral ne peut plus s'arroger le droit d'enquêter par l'intermédiaire de ses préposés, sur la situation financière des provinces que celles-ci pourraient enquêter sur la situation financière du pouvoir central. Reconnaître l'autorité de votre Commission serait, en quelque sorte, reconnaître la suprématie de l'autorité fédérale dans les matières qui sont du domaine provincial et, malgré tout le respect qu'il éprouve pour les personnes composant la Commission, le gouvernement

de cette province croirait manquer à son devoir s'il posait quelque acte impliquant pareille reconnaissance.

L'étude de la structure financière du pays et de ses parties constitutives, en vue de modifications possibles, ne devait être entreprise qu'après consultation et avec l'assentiment des provinces, représentées par leur Législature respective. Cette province a toujours été prête et est encore prête à collaborer avec les autorités fédérales et provinciales, pour procurer une plus grande somme de bien-être à la population du pays. Mais elle ne peut pas consentir à sacrifier ses prérogatives de province autonome, même si elle y est invitée sous le prétexte de travailler au bien commun.

Il semble que le gouvernement central ait voulu donner l'impression d'une supériorité fédérale jusque dans le mode qu'il a employé pour constituer la présente Commission. Cette Commission qu'il chargeait d'entrer en relations étroites avec les gouvernements provinciaux, c'est par simple décret ministériel qu'il l'a nommée. C'eût été plus conforme à la dignité des provinces que ceux qu'on leur déléguait fussent nommés par une loi du Parlement, après consultation avec les provinces.

Pour ces raisons et prenant à notre compte une parole de l'honorable M. HUGHES, Premier Ministre d'Ontario, nous devons déclarer que le gouvernement de la province de Québec ne comparaît devant cette Commission, ni en qualité de demandeur, ni en qualité de défendeur; et qu'

il n'entend être lié en aucune façon par les conclusions de votre rapport.

Si le gouvernement de Québec a cru devoir se faire représenter à cette séance initiale, c'est qu'il n'a pas voulu manquer de courtoisie envers la Commission; c'est aussi parce que son silence aurait pu être considéré comme un acquiescement au principe qu'a posé le gouvernement fédéral, en confiant à une Commission nommée par lui seul la mission de faire enquête en vue d'amender l'acte fédératif de 1867.

Monsieur le Président, votre Commission a aussi été chargée "to express what in their opinion, subject to the retention of the distribution of legislative powers essential to a proper carrying out of the federal system in harmony with national needs and the promotion of national unity, will best effect a balanced relationship between the financial powers and the obligations and functions of each governing body, and conduce to a more efficient, independent and economical discharge of governmental responsibilities in Canada."

Malgré le choix très habile des termes employés dans le décret de nomination, il est clair que le gouvernement du Canada entend invoquer votre rapport, si vos conclusions s'y prêtent, pour introduire une mesure tendant à amender la constitution, dans le sens d'une centralisation de plus en plus accentuée. Ce but apparaît encore plus clairement, lorsqu'on réfère aux délibérations du

comité spécial nommé en vertu de la résolution
 passée le 28 janvier 1935, par le parlement fédéral
 et qui avait pour mission " to study and report on
 "the best method by which the British North America
 "Act may be amended so that, while safeguarding the
 "existing rights of racial and religious minorities
 "and legitimate provincial claims to autonomy, the
 "Dominion Government may be given adequate power
 "to deal effectively with yrgent economic problems
 "which are essentially national in soope".

Le gouvernement de cette province croit
 à propos d'exposer dès maintenant, d'une façon ca-
 tégorique et définitive, sa manière de voir sur la
 possibilité d'amender l'Acte de la Confédération
 de 1867.

Dans l'opinion du gouvernement de Québec,
 l'Acte de l'Amérique Britannique du Nord est la ra-
 tification d'un pacte d'une nature nettement con-
 tractuelle.

"Il est puéril de rechercher si le pacte fédératif réunissait toutes les conditions requises pour la validité des contrats de droit civil. Les conventions entre états sont d'un autre ordre. Elles relèvent du droit public et non du droit privé.

"Ce qu'il y a de certain, c'est qu'en 1867 un certain nombre d'états, appelés provinces, autonomes et souverains sous l'égide de la Couronne Britannique, ayant décidé de se grouper ensemble, ont convenu de se former en une fédération et ont délibérément écarté le système d'une union législative, parceque ce système, avec la centralisation des pouvoirs qu'il comporte, n'offrait aucune garantie aux minorités. Pour donner naissance à cette fédération, les provinces ont consenti à céder à l'entité fédérative une certaine partie de leurs pouvoirs, mais elles ont conservé, outre les pouvoirs législatifs non cédés, leur entité politique et leur constitution particulière, et elles sont ainsi demeurées, dans la sphère qui leur est propre, des états souverains.

"Ce n'est pas du gouvernement central que découlent les pouvoirs et attributions des provinces; c'est, au contraire, de l'accord de volontés des provinces qu'est né le gouvernement central.

"Ce caractère conventionnel du pacte fédératif a été trop souvent proclamé, tant par les hommes d'Etat que par les juristes, pour qu'il soit nécessaire d'y insister. Cette doctrine, le gouvernement de cette province déclare la faire sienne.

"De là découle une conséquence primordiale. Participant de la nature des conventions, le pacte

fédératif ne peut être ni amendé, ni modifié, sans l'assentiment de toutes les parties; c'est-à-dire de toutes les provinces. Il n'appartient ni à une majorité des provinces, ni encore moins au gouvernement fédéral d'y apporter des changements. Sur ce point, qu'il me soit permis de remercier et de féliciter, au nom de la province de Québec, l'honorable Premier ministre de la province d'Ontario, d'avoir proclamé, lors de sa comparution devant cette Commission, l'intangibilité de l'acte fédératif, sans le consentement unanime des provinces:

"If there is to be change in Confederation
 "(in my opinion), it can be brought about only
 "by renewed conferences of the representatives of
 "the people and with unanimity of approval".

"On objecte que les dispositions de l'Acte de l'Amérique Britannique du Nord n'ont pas toutes le même caractère; que les unes ont pour objet immédiat la protection des droits des minorités; d'autres la réglementation des relations entre le pouvoir central et les provinces, et d'autres encore l'organisation du rouage administratif fédéral, et qu'il conviendrait au moins de reconnaître au parlement fédéral le pouvoir d'amender les clauses qui n'intéressent pas directement les provinces. Mais à qui appartiendra-t-il de décider qu'une matière déterminée n'intéresse pas les provinces, et où s'arrêter, une fois le principe reconnu? Dans une constitution, il n'y a pas de clauses secondaires.

"La centralisation qu'on paraît désirer dans certains milieux adverses aux droits des provinces

est un mal national et social. La centralisation se rencontre principalement dans les pays dits totalitaires. Comme le déclare si bien l'honorable Premier ministre de la province d'Ontario:

"The accumulation of powers leads to autocracy; its distribution is the safety zone of democracy." (p.7407).

"Le peuple de cette province a confiance dans le système parlementaire démocratique tel qu'établi par la constitution de 1867 et il croit que pour faire face aux conditions actuelles et introduire des réformes, s'il y a lieu, il n'est pas besoin d'amender la constitution, mais qu'il suffit de l'appliquer avec la largeur de vue et l'esprit de conciliation qui ont présidé à la formation du pacte fédératif.

"La prospérité du pays ne dépend pas d'une centralisation plus prononcée des pouvoirs législatifs. Au contraire, plus le législateur sera en contact étroit avec les localités pour lesquelles il s'agit de légiférer, plus la législation aura chance d'être vraiment fructueuse. C'est par une collaboration sincère et franche entre le gouvernement central et les gouvernements provinciaux que les meilleurs résultats peuvent être obtenus. Et le gouvernement de cette province est toujours prêt à collaborer et à coopérer à toute amélioration juste et raisonnable.

Monsieur le Président, votre Commission a été aussi chargée "to examine the sources of revenue and burdens of responsibility assigned to the various governing bodies under our constitution, having regard to the situation of the past, the

"present and the probable future."

"On sait qu'en 1867, pour donner naissance à l'état fédéral, les provinces ont consenti à lui céder le droit qu'elles avaient possédé, jusque là, comme tous les états souverains, de prélever des droits de douane et d'accise. En compensation, le gouvernement fédéral devait leur fournir les revenus nécessaires à l'exercice des fonctions provinciales et aux charges d'administration des gouvernements provinciaux.

"On peut affirmer que le gouvernement central ne s'est jamais pleinement acquitté de cette obligation envers les provinces et qu'en particulier celles qui ont formé la Confédération n'ont jamais reçu ce qu'en équité elles auraient dû recevoir; surtout si l'on considère que dès le début et toujours elles ont largement et très généreusement contribué au développement des nouvelles provinces et de la Confédération en général.

"S'il est vrai que les subsides fédéraux se sont accrus, il n'en est pas moins certain qu'ils n'ont pas augmenté dans la proportion des revenus des droits de douane et d'accise que les provinces avaient cédés en 1867.

"Le gouvernement de cette province est d'avis que les subsides fédéraux payables aux provinces devraient être rajustés et les sources de revenu redistribuées entre le gouvernement central et les provinces, en tenant compte du chiffre de la population des différentes provinces, des besoins actuels de chacune d'elles et aussi des sacrifices que certaines d'entre elles se sont imposées pour le développement du pays. L'honorable Premier

ministre d'Ontario a démontré avec une clarté remarquable que ce ne sont pas les provinces de l'Ouest qui ont souffert économiquement du pacte fédératif et il a réfuté d'une façon convaincante les plaintes qu'on entend trop souvent à ce sujet. Pour cette raison additionnelle, le gouvernement de la province de Québec désire le remercier publiquement.

"Par ailleurs le gouvernement de cette province, professant comme il le fait la doctrine que le pacte de 1867 ne peut pas être modifié sans le consentement de toutes les provinces, estime que c'est au cours d'une conférence à laquelle participeraient le gouvernement fédéral et les gouvernements provinciaux, et dans un esprit de conciliation et d'harmonie, que ces questions devraient être envisagées, discutées et solutionnées par les représentants du peuple.

"Au reste cette province a compris l'importance de répartir le fardeau de la taxe aussi équitablement que possible et elle a constitué une commission chargée d'étudier les divers systèmes de taxation en vue de les reviser s'il y a lieu. Cette commission est actuellement à l'oeuvre. Mais soucieux de respecter les principes du gouvernement populaire, le gouvernement de cette province a pourvu à la formation de cette commission au moyen d'une loi spéciale (1 George VI, chapitre 55).

"En somme la position que prend la province de Québec n'est ni compliquée ni ambiguë.

"A ses yeux la Confédération est un pacte volontairement consenti et qui ne peut être modifié que du consentement de tous. Elle entend en respecter

toutes les clauses; elle s'attend à ce que les autres fassent de même.

"C'est en même temps une forme de gouvernement librement choisi, de préférence à l'union législative, parceque plus propre à assurer la protection des minorités et le développement du pays dans la paix et l'harmonie. Ce choix a été arrêté après mûre délibération, par des hommes d'Etat appartenant aux deux grandes races et aux deux partis, dont la vision et la clairvoyance incontestable n'étaient pas obscurcis par les bouleversements d'une époque troublée. La province de Québec croit que ce système est encore celui qui répond le mieux aux besoins d'un vaste pays peuplé de races diverses.

"En définitive la province de Québec est disposée à collaborer à toute mesure d'intérêt général non incompatible avec les droits provinciaux; à fournir son assistance pour la mise en vigueur de toute réforme qui pourrait être juste et raisonnable, dans le cadre de la constitution, et à coopérer généralement avec les autorités fédérales et les autres autorités provinciales pour le bien être de tous, dans le respect des droits de chacun."

MR. BEAULIEU: This being a bilingual country I have already had prepared an official English translation of the memorandum which I am now submitting on behalf of the Government of the Province of Quebec. I presume, however, that it would serve no useful purpose were I to repeat now in English what I have said in French, and I am purely and simply going to file before your Commission the English translation of the French.

LE PRESIDENT SUPPLEANT: Je vous remercie, M. Beaulieu.

Evidemment, nous allons étudier attentivement ce mémoire.

La Commission est fort heureuse de voir que c'est vous qui êtes chargé de représenter le gouvernement.

M. ST-LAURENT: Les deux versions ne constituent rien qu'un document. Ils peuvent être produits comme exhibit No. 341, A et B.

EXHIBIT No. 341, A et B.

LE PRESIDENT SUPPLEANT: Je comprends que vous allez rester avec nous, M. Beaulieu, pendant les jours que nous allons siéger à Québec ?

M. BEAULIEU: Si c'est le plaisir de la Commission.

LE PRESIDENT SUPPLEANT: Nous en serons très heureux.

Nous allons maintenant indiquer les heures des séances qui seront comme suit: le matin, 10.30 heures à 1.00 heure, ensuite, 2.30 heures à 4.30 heures, sauf demain où nous serons peut-être obligés de siéger plus tard, et nous recommencerons vers 3.00 heures.

Avant de procéder à l'acte de justice que j'ai à accomplir, vous constaterez que plusieurs mémoires nous seront présentés et ils sont tous accompagnés de leur traduction, les mémoires français en Anglais et les mémoires anglais en Français. Ceci représente un travail énorme fait à la satisfaction de la Commission, je crois, et je désire adresser toutes nos félicitations à notre secrétaire, M. Skelton et le secrétaire français, M. Savard. Il n'est que juste d'associer à ces éloges le personnel du secrétariat.

Nous allons procéder avec le mémoire du Board of Trade de Montréal.

THE ACTING CHAIRMAN: We will now hear the brief to be presented by the Montreal Board of Trade by the chairman, Mr. Lobley; If you are ready to proceed, gentlemen, the Commission will hear you.

MR. LOBLEY: Mr. Chairman and gentlemen of the Royal Commission on Dominion-Provincial Relations:

We have the honour to present to you, sir, and your colleagues, on behalf of the Montreal Board of Trade a submission which this sub-committee has been authorized to prepare. I would like to take this opportunity of presenting to you at this time those with whom I have been associated in the preparation of the work: Mr. Ernest Common and Mr. Leslie Burzell.

We would like to express sympathy with the Commission on the indisposition of your Chairman, The Honourable Mr. Newton Wesley Rowell and to hope that it is just a passing indisposition, that he will be soon restored to health and his work on the Commission.

The submission which we are presenting to you is an attempt by ordinary Canadian business men and ordinary average citizens of Canada. We have endeavored to present, to approach the subject, with a broad Canadian viewpoint, and to avoid any selfish or sectional motives. We have tried to avoid saying that one tax is bad or another tax is bad because it impinges on one or other sections, and have endeavored at all times to hold fast to a broad and national viewpoint.

The first part of our submission covers our summary of conclusions and recommendations.

"In an analysis of public finances and taxation in Canada it is essential to emphasize two principal conditioning factors of recent years;

first, the Great War, and second, the multiplication and extension of the social responsibilities of the State. The latter process was hastened by the severe and prolonged derangement of the world's economy in the past seven years. The economic depression accelerated the development of the social consciousness of people. All of these factors have contributed materially to the increase in public expenditures and debts and to the consequently heavier burden of taxation.

Many of the services rendered by the State and which had their origin in certain emergency situations of the past few years, have now assumed a permanent nature. Nevertheless, Governments fail to appreciate this fact and continue to apply temporary and expedient methods to meet recurring situations. No attempt has yet been made by the three units of Government in Canada to finance unemployment relief on any but a temporary basis. All Governments are resorting to haphazard methods based upon expediency in meeting the greatest single problem of the country.

The confusion which characterizes some aspects of public finance in Canada is indicated by unsound and complex taxes imposed without regard to the tax-payer's ability to pay, and by the lack of clarity and absence of uniformity in the accounting statements of different governmental bodies. In many cases the tax-payer is subject to double and even triple taxation by taxing

authorities, with respect to the same thing.

The confusion flows also in large degree from the lack of agreement governing the allocation of responsibility for social services as between the three units of Government on the basis of the relative financial capacity of these units to assume such responsibility. This has imposed an unduly heavy burden on municipalities which in all cases derive by far the major portion of their revenues from the taxation of real property.

The Committee, therefore, presents the following conclusions and recommendations.

1. Sound methods of public finance and in the presentation of the public accounts are essential. To attain these ends certain current practices must be reformed. It is unsound to continue capitalizing unemployment of relief expenditures which are now of a recurring nature. It is likewise unsound to capitalize deficits in a period of economic recovery. The State must recognize the permanency of certain economic conditions and design sound taxation to meet the cost of its responsibility therefor. The Governments of Canada should also attempt to clarify their public accounts and adopt book-keeping practices which make a full disclosure of the facts. The lack of uniform and standardized methods of accounting, particularly as between Provinces and Municipalities renders impossible a comparative study of taxation in Canada.

2. The Dominion Government is undertaking an examination of the financial relationships between the Dominion and the Provinces by the

appointment of this Commission. This is a step in the right direction. A re-adjustment of Dominion-Provincial financial relationships is essential. Judicial decisions have tended to enlarge the constitutional powers and functions of the Provinces and to limit those of the Dominion, particularly in the growing field of the social services. A single jurisdiction and uniformity of administration in the case of some of these services would be in the best interests of efficiency and sound public finance. This would require a constitutional redistribution of powers between the Dominion and the Provinces. In the absence of such a redistribution there will have to be a re-adjustment of the respective powers of taxation of the two units of Government, by the two units of Government I mean the Dominion and Provinces, sir, - in order that such powers may conform to their duties and responsibilities.

The Montreal Board of Trade holds the belief that one of the purposes of Confederation was to make Canada a national entity in which business could be conducted under a common set of regulatory conditions throughout the Dominion. Unfortunately today it is borne in upon any business enterprise extending across Canada that the country consists of nine separate, selfish entities, each claiming sovereignty in an ever-widening field and each with a separate and different set of corporation laws and a separate and different system of corporation taxation. All provinces have become much immersed in their

respective financial problems - problems admittedly pressing ones - and in their immediate needs for increased revenue and they appear to be heedless of the effect of their policies upon the welfare of Canada as a whole and the rights of citizens as individuals. The tendency of the past decade has been towards disintegration into a number of separate sovereign states. Until this tendency can be arrested and in some measure reversed, until Canada can achieve the degree of solidarity that Confederation aimed at and until Canadians will recognize the truth that the whole is of necessity greater than the part, we cannot hope for national prosperity and progress.

It is in the interest neither of the Dominion nor of the Provinces that the duplication in the administration of certain services should be multiplied still further. The Provinces of Ontario and Manitoba have already taken a step in the right direction by arranging for the collection of their income tax by the Dominion Government. This could be done on a larger scale with a view to greater efficiency and decreasing expenditures. An expansion of Provincial powers will lead in the opposite direction.

3. The present unfair distribution of powers and responsibilities between the Dominion and the Provinces has increased the duties and responsibilities of the municipalities without a proportionate increase in the power to raise the revenue necessary to meet the new obligations. In the City of Montreal, as in other municipalities, real property is the

principal source of revenue but it is no longer an adequate basis of taxation. Growing responsibilities and the increasing cost of social services, particularly of unemployment relief, have necessitated a greater resort to borrowing, thereby increasing still further the charge against real property and discouraging new construction and home ownership. It is imperative, therefore, that serious consideration be given to a revision of the tax structure and the assessment system of Montreal, with due regard to the problems arising from tax exemptions and laxity in tax collections. Furthermore, unless the Dominion and the Provinces are prepared to assume a larger share of the new burdens imposed upon the municipalities, consideration must also be given to an equitable distribution between the Province of Quebec and the City of Montreal of the proceeds of certain provincial taxes collected in the City.

4. In a country like Canada, with a Dominion and nine Provincial Governments, there is a marked tendency towards tax duplications. These should be eliminated by reciprocal agreements between the Provinces. Agreements of this nature are particularly necessary in regard to taxes on corporations and succession duties.

The tax system may be further simplified by the provision, wherever possible, of standardized forms of reports to be filled in by the tax-payer, and the avoidance of duplicating and overlapping reports."

In point of fact, sir, this committee holds the opinion that it would be well for the provinces to vacate the fields of succession duties and income tax in favor of the Dominion, and thus have one unified system across the country for the collection and legislation of these two important sources of revenue. This added revenue to the Dominion could be used to fulfil certain responsibilities presently undertaken by the provinces, or could be returned to the provinces on some basis governed by a weighted economic index, which would be immune from political influence and safe from becoming a thing of jealousy and controversy.

When I said income tax I also meant corporation income tax and corporation capital tax, although later on in our submission we have much to say about corporation capital tax.

THE ACTING CHAIRMAN: You would deprive the provinces of the right to levy income tax, succession duty tax and corporation tax?

MR. LOBLEY : What I said, sir, is that we are of the opinion that the provinces should vacate those two important fields of taxation, succession duties and income tax.

THE ACTING CHAIRMAN: And corporation tax?

MR. LOBLEY: Well, the corporation income tax, as business men doing business from one end of Canada to the other, the problem of corporation tax, with nine corporation tax systems, nine corporation laws, nine different methods of measuring profits, it is a handicap and a harrassment of business, and we think by centralizing it in the Dominion Government would be a great saving to business, to the harrassment of making out different

returns and following different systems of law and
profit measurement. And of course it would, in our
opinion, be much more efficiently collected.

"5. Debt charges and costs of administration consume the larger part of the tax revenues of the province of Quebec and the city of Montreal. The costs of administration of the provincial government are out of line with those of the other provinces; substantial economies can be effected in this field of expenditure. "

THE ACTING CHAIRMAN: Later on, do you give some figures to establish this point that it is more expensive in Quebec?

MR. LOBLEY: Yes, we do.

THE ACTING CHAIRMAN: Very well, then, you may proceed.

"The debt of Montreal has grown unduly in relation to the assessed value for taxation and in comparison with the debt of other cities. It is essential that the rate of increase in debt be more effectively regulated.

6. Governments in Canada have in recent years tended to resort in large degree to indirect taxation rather than direct taxation for the raising of revenue, thereby violating the principle that taxes should be imposed on the basis of the tax-payer's ability to pay. The sales tax is now the largest single source of federal revenues. It is estimated that in the fiscal year 1936-1937, the income tax yielded 22.5 per cent of total revenues, while the indirect taxes, including the sales tax, custom duties and excise duties, yielded 62.5 per cent of revenues. This situation requires adjustment; taxes must be levied on

"a more equitable basis.

Sales taxes in Canada are now imposed by the Dominion, by some provinces, and by the city of Montreal. They bear more heavily on the poorer classes of the population. They were originally imposed as emergency measures and have been retained because they have been found expedient. They cannot be justified unless expediency rather than ability to pay is accepted as a sound principle of taxation."

Mr. Chairman, there are two points at which taxes may be applied, at the point of earning and at the point of spending. We know that there must be and there is evidence in most countries now, of a great deal of taxation at the point of spending. The gasoline tax is a good example of taxation at the point of spending. Taxes at the point of spending are usually easily collected, and in many cases, the merchant becomes the unpaid tax-collector for the government. There are other things which should be considered besides the facility of collecting. The sales tax bears with inverse weight on the taxpayer's ability to pay. There may be a woman on relief who buys a pair of pants for her son for \$2.00. There is probably .15 cents sales tax on the purchase price, but the woman is unconscious of it, she does not know it. However, when she comes to buy food, she finds she has not enough money with which to buy it. She does not know why, but she has not enough money. I paid \$6.00 sales tax when I bought this suit, but I had a good meal just the same. This tax bears with inverse weight on the taxpayer's ability to pay, but because the taxpayers are unconscious of it,

they are not vocal in their protests against these hidden taxes at the point of spending. Now, the gasoline tax is not hidden, it is there when you buy a gallon of gasoline. You pay the six cents, but in time, you become unconscious of it and you regard it as part of the price of gasoline. In the case of the sales tax, you are not conscious of it and it requires a strong-willed people who will broaden the base of the income tax rather than indulge in sales taxes.

Now, I commend to you, gentlemen, the recent happenings in England, where they have constantly broadened the base and increased the income tax. This makes people tax conscious and it enlightens the people, but the sales tax lulls them into a state of unconsciousness.

The second part of our submission, sir, is an attempt, by ordinary business men, to deal with some of the elementary principles of taxation.

Quoting from the brief:

"It is the function of government to promote the common welfare of the citizens of a state by providing for certain collective or social needs. The progress of civilization has expanded these needs and has thereby greatly increased the duties and activities of the state and multiplied public expenditures. The increased expenditures are directly the result of wars, increased population, technological discoveries and improvements, rising prices, a rising standard of living, and a growing humanitarianism, as manifested in social legislation. In effect, the state now spends a substantial proportion of the national

"income.

In estimating the cost and the effects of public expenditures, it is necessary to distinguish between public and private economy.

Both cannot be judged by the same criteria. The individual normally takes a temporary view of his economic activities and expects an early return in the form of profits measured in dollars and cents. The state, on the other hand, can take a much longer view and its return need not be pecuniary at all. Expenditures which promote social welfare and those which provide security, order and justice, are productive, but yield no immediate financial profit to the government. Private enterprise could not undertake activities of this nature or other essential services which do not yield profits in the pecuniary sense.

The public collection and expenditure of revenue divert a certain volume of purchasing power from the control of the citizens to the control of the state. Whether or not this is advantageous depends upon the use to which that purchasing power would have been put by the citizens and the use which will be made of it by the state. The greater part of the burden of taxation is borne by the producers rather than by the spend-thrifts of society."

It is rather a curious point, Mr. Chairman, but we see the mounting assets of the large financial institutions measured in government securities. It is our belief that these institutions are very rich. Take, for example, a large insurance company. It lists amongst its assets a vast

accumulation of the obligations of the Dominion, provinces, and municipalities. It is counted a very strong and wealthy institution, but if this wealth which is being rented to the governments by this institution, is represented by waste, not by wealth, that is to say, if the insurance company rents so much wealth to a government and the government wastes this wealth, then there is no backing for the assets of the insurance company. The wealth has been wasted, although the insurance company may be looked upon as a very wealthy institution. This wealth which has tremendous catalactic possibilities has been withdrawn and wasted.

"Hence, the greater part of public money is drawn from those funds which maintain and increase the community's supply of capital and its production. Large public expenditures are, therefore, justified if they give a compensating stimulus to the production which may be checked by the taxation necessary to meet the expenditures. Expenditures to safeguard social welfare and to improve the quality of social life are productive. But all expenditures are limited by the available resources of the state. The purpose of the expenditure, its usefulness and the existing tax burden, require careful study.

'High taxation clearly becomes overtaxation when it has outrun the capacity of a country to meet it without restricting industrial development or unduly trenching upon capital resources. But it is not easy to get beyond generalities in the absence of the actual statistical proof which is unattainable in such a case; and all that a commentator can do is to show that

"certain conditions exist which must, if continued, produce certain results. If, for instance, expenditure-----continues to increase and national income to diminish, there is no escape from the conclusion that under existing conditions the point must sooner or later be reached, so often exemplified in history, when taxation will result in general impoverishment, and show itself in many forms, such as extensive evasion, a flight of capital, and dislocation of currency and prices."

In the case of the municipality, sir, taxation is showing its effects upon real property and upon the creation of wealth in the form of buildings. Clearly, that point is reached and passed, in that particular field.

"In analyzing the effects of taxation on production and on business in general, it is, therefore, clearly difficult to apply tests subject to statistical verification. It must be recalled that taxation for the purpose of social services transfers purchasing power from the richer to the poorer classes, raises the standard of living of the poor, increases their demand for commodities, and thereby tends towards industrial stability and prosperity. Furthermore, in a period of economic depression, heavier government expenditures, whether paid for by taxes or by loans, are justified and necessary in order to fill the gap resulting from fear and inactivity which paralyze private enterprise.

On the other hand, the following questions

"require consideration:--

- (a) Has the burden of taxation a depressing effect upon enterprise and is it discouraging initiative?
- (b) Is the burden of taxation so heavy that it is encouraging evasion on a large scale.
- (c) Is the burden of taxation causing a flight of capital from the country?
- (d) Is the burden of taxation restricting normal expenditures on goods and services and thereby affecting production and employment?
- (e) Is the burden of taxation raising industrial costs unduly and to the point where the export industries are being penalized?
- (f) Is the burden of taxation restricting savings to the extent that there is an actual or threatened shortage of capital?

These questions are not easily answered. They involve a study of many economic factors other than taxation. Insofar as taxes are concerned, it is necessary to examine their nature, their incidence, and the distribution of their proceeds.

A tax system should aim at satisfying, as far as possible, the following recognized economic tests:--

- (a) **FISCAL ADEQUACY:--**The system must be capable of producing enough revenue for public purposes. It must be adequate both in the short-run and in the long-run sense, but must be applied in such a way as to safeguard, and,

"if possible, to increase the ultimate resources of the state and of its citizens. If it encroaches too severely on the social income, it may dry up the stream of public revenue.

(b) ECONOMY:--The cost of collection and administration of a tax is an important test, because the lower the cost, the greater is the net yield of the tax.

(c) EQUITY:--A tax system must be equitable. It must be based on ability to pay. In order to satisfy this test, taxation should be progressive and not proportional, that is, a person with a larger income should pay a higher rate than one with a smaller income. Ability to pay also varies with the source of income: income from property denotes a greater ability than income from services."

In the case of a taxpayer who is a professional man, such as a great surgeon, whose skill is in his brain and in his fingers--if he should become ill or handicapped in some way which prevented him from earning a living, his earning capacity ceases. On the other hand, in the case of a property-owner, who has money in property or bonds, it matters not whether he is sick or not, his earning power continues. That is what we mean when we say that ability to pay varies with the source of income. A person with income from property has a different standard of ability to pay than a person with income from services.

"ELASTICITY:--A tax system must have the capacity to respond quickly to changes in the demand for revenue.

(e) SIMPLICITY:--A tax should not require too elaborate processes of administration."

I think that is a point to consider in all corporation taxes, that is, in all provincial corporation taxes.

"(f) DIVERSITY:--A sound tax system requires a number of different taxes properly coordinated to form a unified and consistent whole. It means a greater fiscal adequacy and more diversity.

(g) FLEXIBILITY:--A tax system must not be too rigid, but must be capable of change and modification in order to meet changing needs.

(h) CONVENIENCE:--From the standpoint of the taxpayer."

The Canadian citizens know that taxes must be paid. There is no evidence, in this country, of evasion on any large scale, but a person does not like injustice, nor does a person like to be harrassed. We believe that it should be made as easy and simple as possible for the taxpayer, not difficult, irritating and harrassing. Simplicity is a means of improving the tax system and making it work well in the future.

"The distribution of the tax burden depends upon the incidence of the taxes. Certain taxes do not fall where they are imposed, but may be shifted. This depends upon the nature of the tax, the nature of the demand for the commodities affected by it, the control over the prices of these commodities, and the mobility of labour and capital."

Considering the gasoline tax on the gasoline used to propel a milk truck, for a moment. There is a possib-

ility that this falls upon the woman who buys milk for her children. It is interesting to consider where the taxes fall. They sometimes fall where they were not intended to fall.

"In order to estimate the burden of taxation, it is, therefore, important to examine its incidence, both intended and actual.

It is also necessary to bear in mind the imposition of taxes upon the same sources of revenue by different units of government. The burden is naturally affected by double taxation and duplication of administrative services. This is more particularly a problem of Federal states such as the Dominion of Canada."

The business man does not like to hit two or three times in the same spot, nor is he like an ice cream soda with three straws stuck in it and three people sucking out of this ice cream soda; whoever sucks the strongest gets the most.

COMMISSIONER MacKAY: Do you make an application of this to taxes, to specific instances?

MR. LOBLEY: Yes, later on, as we cover the matter, we will come to that.

We now come to part II, the section which deals with public expenditures, revenues and debts in Canada.

"The functions of government in Canada are distributed among three units--the Dominion, the provinces and the municipalities. The British North America Act, broadly-speaking confers upon the Dominion Parliament jurisdiction over matters of provincial and local concern. The municipalities derive their

"powers from the provincial legislatures.

In order to perform their functions, each unit of government is empowered to tax, to borrow and to spend. The Dominion may raise money by any mode or system of taxation; the provinces are restricted to direct taxation within the province in order to raise a revenue for provincial purposes; the municipalities are still further restricted, because of their dependence upon the powers conferred upon them by the provincial legislatures. The provinces and municipalities are, therefore, confined to direct taxation whereas the Dominion may impose taxes of any nature whatsoever.

The functions and responsibilities of the three units of government and the sources of their revenues are indicated by the following tables."

I would like to suggest that we may take these tables as read.

THE ACTING CHAIRMAN: Yes, you may do that.

MR. LOBLEY: Table number one gives the course of revenues, expenditures and debts of the Dominion government for the last five fiscal years. Table number two gives the expenditures by departments for the last five fiscal years. Table number three is a summary of revenues and expenditures. Table number four gives the percentage distribution of revenues and expenditures, 1936-37. Table number five deals with the Dominion public debt and commences with the record of this debt in the year 1926 and continues up to the year 1936. It shows that this debt increased from \$2,472,000,000 in 1926 to \$3,211,000,000 in

1936, that is the gross funded debt. The guaranteed debt increased from \$364,000,000 in 1926 to \$778,000,000 in 1936.

THE ACTING CHAIRMAN: What is included in that item of guaranteed debt, the C.N.R. debt?

MR. LOBLEY: Yes, the C.N.R. debt.

"A number of significant facts emerge from the foregoing statistical tables. There has been a marked increase in public expenditures necessitating larger revenues and a striking increase in debt. Furthermore, an analysis of the expenditures points to the fact that substantial reductions within the near future are not possible. It is apparent that after deducting the expenditures arising from fixed charges, the necessary costs of administration, and essential social services, the controllable elements form but a small fraction of the total amount."

Mr. Chairman, so many people who have given but little thought to this, notice some small extravagances here and there. They believe that with the correction of these things, Canada's financial problems can be settled. We feel that the controllable element is so small that the problem is far deeper and more profound than will be affected by some small economy, such as the shutting down of one department or another.

"Table number four indicates that for the fiscal year 1936-37, the major public expenditures will be distributed as follows:--

26.23 %--for public debt charges;

7.04 %--for old age pensions, civil servants'

"pensions and provincial subsidies;
 10.22%--for soldiers' pensions and treatment
 of returned soldiers;
 28.34%--for costs of administration and legis-
 lation
 14.91%--for unemployment and drought relief;
 8.02%--for the deficits of the Canadian National
 Railways.

The extent of the fixed and nearly-fixed charges are here apparent. Unless economic recovery effects a substantial improvement in the employment situation and makes possible a substantial decrease in debt, large reductions in expenditure and corresponding reductions in taxation cannot be expected.

The estimated revenues for the fiscal year 1936-37 will be distributed as follows:--

31.50%--for public debt charges;
 9.36%--for old age pensions, civil servants'
 pensions and provincial subsidies;
 12.19%--for soldiers' pensions and treatment
 of returned soldiers;
 33.82%--for costs of administration and legis-
 lation
 17.79%--for unemployment and drought relief;
 9.58%--for the deficit of the Canadian Nation-
 al Railways.

It is not likely that the fixed and nearly-fixed charges will undergo any striking changes within the next year or so, unless unexpected budget surpluses occur or increased taxation is imposed in order to reduce the debt. Nevertheless, an increase in the national

"income will in effect lighten the burden of expenditures and of taxation. The government should take advantage of the opportunity so afforded to decrease the amount of debt, rather than to decrease the revenues from taxation.

It does not follow, however, that taxation changes are not necessary. It is important to note, in Table No. 4, that for the fiscal year 1936-37, it is estimated that 22.56 per cent of the total revenue will be yielded by the income tax, and 62.51 per cent by the indirect taxes--the sales tax, customs duties and excise duties. It must be emphasized that indirect taxes are inequitable because they are not based upon the taxpayer's ability to pay. The poorer classes of the population are thereby penalized. In this connection, the sales tax of 8 per cent deserves particular mention. It is recommended that consideration be given to broadening the base of the income tax particularly by reducing exemptions and increasing the rates applicable to the lower and middle brackets."

Such a step would require very strong moral and political courage, but we recommend it most strongly.

Table number six deals with the estimated national income of Canada. These are figures with which you are all, no doubt, familiar. Then, we give here for your records, a reproduction of the consolidated balance sheet as it was shown in the provincial bill number 12, marked 1936. Table number seven gives the ordinary revenue and expenditures of the provincial governments, from the year 1926 to the year 1934. The total revenue for the provinces in the year 1926

was \$146,000,000, and in 1934 it was \$176,000,000. The expenditures of the provinces in 1926 were \$144,000,000, while in 1934 the sum was \$217,000,000. Table number eight gives the ordinary revenues and expenditures of the provincial governments for the fiscal year ending 1933. Table number nine shows the ordinary expenditures of the provincial government for the fiscal year ending 1933. Table number ten gives the percentage distribution of ordinary expenditures of the provincial governments for the fiscal year ending 1933 .

(page 8164 follows)

These are the tables of all the provinces. Number 11 gives the provincial debt, the total provincial debts. In 1925 it was \$813,400,000, in 1935 it was \$1,622,100,000, showing that the total provincial debts were doubled in the eleven year period. You will see on a percentage basis the debt went up 22 per cent from 1925 to 1929, 35 per cent from 1929 to 1932, during the period of the commencement of the depression, 21 per cent from 1932 to 1935, and 99 per cent from 1925 to 1935. Then, the provincial debt as a ratio of the year's revenue, 1926 563 per cent, 1929 518 per cent, 1932 698 per cent, and 1935 777 per cent.

Table No. 12 gives the provincial debt charges and unemployment relief expenditures, by provinces.

"These statistics point to similar tendencies in Dominion and in Provincial finances. In both cases, expenditures and debts have increased and the larger proportion of revenues is consumed by fixed and nearly-fixed charges.

A large proportion of the increased expenditures and debts of the Provinces arises from the cost of growing social services and, particularly, from the cost of unemployment and drought relief. The Dominion Government has had to come to the rescue of certain Provinces in order to enable them to meet their obligations, as appears from the following table."

And the next table gives you, Sir, the statistical record of the loans by the Dominion to the Provinces, and the classification thereof.

"It is apparent that a readjustment of Dominion-Provincial financial relationships is essential. Judicial decisions have tended to enlarge the con-

"stitutional powers and functions of the Provinces, and to limit those of the Dominion, particularly, in the growing field of the social services. A single jurisdiction and uniformity of administration in the case of some of these services would be in the best interests of efficiency and sound public finance. This would require a constitutional re-distribution of powers between the Dominion and the Provinces. In the absence of such a distribution, there will have to be a readjustment of the respective powers of taxation of the two units of government in order that these may conform to their duties and responsibilities. Should this involve an increase in provincial tax powers, it is likely that the total burden of taxation in Canada will be increased."

I do not need to read the rest of this because it appears in our summarized recommendations. We now turn to the revenues, expenditures, and debts of municipalities.

"The Municipalities derive their revenues in the main from the taxation of real property. For example, over 73% of the revenues of Montreal and about 92% of the revenues of Winnipeg (apart from utilities), including business taxes, are obtained from levies made on real estate, and on its rental value. The proceeds are spent on local administration, protection to person and property, public works, health and sanitation, charities, hospitals, recreations, schools and public debt charges. The latter item consumes a very large proportion of municipal revenues. The added burden of unemployment relief has aggravated the municipal debt situation and defaults have resulted.

The following table shows the growth of muni-

"cipal debt in Canada."

Leaving off the millions, in 1926 it was 1050, in 1934 it was 2410, and the increase has been sustained year by year in a fairly uniform curve.

"The absence of uniform statistics and standardized accounting practices by Municipalities renders it difficult to present comparative statistics on municipal finance. The problems of municipal public finance, however, are serious.

An analysis of current developments in Canadian municipal finance points to the following facts: -

1. The duties and responsibilities of municipalities have increased without a proportionate increase in the power to raise the revenue necessary to meet their new obligations;
2. Having regard to these increasing duties and responsibilities, real property, the principal source of municipal revenue, is no longer an adequate basis of taxation;
3. Declining revenues accompanying diminished assessments and increased rates have necessitated a greater resort to borrowing, thereby increasing still further the charge against real property and discouraging new construction and home ownership."

Speaking of real property and the tax thereon, real estate is the greatest tax collector we have. All things come home at eventide, and all human beings come to a shelter at the end of the day, and usually they come to the same shelter. If you want to find a man you go to see him at his house, or you write a letter to him at his house, so that you have one place where you know you can find him, and one place where you know you can tax him. Real property is

the tax collector. In some countries they tax the individual direct; they go in at the front door to collect from him. On the North American Continent we tax the property, expecting the property in turn to collect from the inhabitant. There is nothing wrong with our system, in theory it is quite as efficient as the European system, but let us be careful that we do not call upon this instrument of collection to perform an impossible task. If there be no inhabitant within the shelter onto whose shoulders the shelter can pass the tax, then it is not the fault of the shelter. We are requiring it to do something that it is incapable of doing, and that is the fault of the municipal system, and of stupidity, and of ignorance on the part of municipal administrations. Of course, the tax must ultimately be shifted on to the shoulders of the inhabitant, because all these taxes must come out of his pocket; there is no other place for them to come from. But if we call upon the building, - the property, which we have elected to be our taxpayer, to do something which it is incapable of doing, then we destroy it. It really does not theoretically matter how you get the tax out of the inhabitant of the shelter, either by adding it on to the rent or by coming along to the front door, as they do in Europe, and taking it from him, but we feel that the first thing which should be done in our municipalities is that properties should be assessed in relation to their ability to collect taxes, to pass the taxes on to the shoulders of those who use the property. That is to say, we think real property is valuable from an assessment viewpoint only in so far as and to the extent that it is useful and enjoyable.

COMMISSIONER MACKAY: Would it not necessitate frequent revision?

MR. LOBLEY: It would necessitate frequent revision,

but the amount spent by the municipalities could be doubled or trebled without any great increase in the municipality's expenditures, and the class of individual engaged to do this work could be improved greatly.

COMMISSIONER DAFOE: Are you suggesting adoption of the English system?

MR. LOBLEY: No, we feel that the North American system should have a fair trial before it is thrown overboard, and the English system accepted. We do not think that the North American system has had a fair trial.

COMMISSIONER DAFOE: You still think the value of the property ought to be the basis of the tax?

MR. LOBLEY: We argue it this way; that the value of any real property must ultimately be directly proportionate to its usefulness and the degree of use and enjoyment that it gives. Supposing I were to build a beauty parlor in Chicoutimi, with Mother of Pearl bath tubs and gold-plated taps, or the pyramids of Egypt in Labrador, they would have no value, because it is neither useful nor enjoyable. The value of real property is directly proportionate to its usefulness and enjoyableness, and if people do not use it or enjoy it you may be sure it is not useful or enjoyable.

COMMISSIONER DAFOE: In that case is it your opinion it should be free of taxation? Take a house that has no occupant, do you think it should be taxed?

MR. LOBLEY: If it is ~~uninhabitable~~, that is to say, - if it is the fault of the landlord, if he is stupid and selfish and asks a huge rental for a house that is not worth it, then we would get after him, but if the house is not inhabitable, we would tax it accordingly.

COMMISSIONER ANGUS: Would you tax vacant land that is being held speculatively?

MR. LOBLEY: No, we would have an increment tax at the time of the sale, because there is no shoulder on which you could pass the burden. It is not useful.

COMMISSIONER DAFOE: But you would collect an increment tax?

MR. LOBLEY: Yes, and plenty. You asked me a question Sir, about the constant revision of the assessment.

COMMISSIONER MacKAY: I said, in short, a system like that would necessitate frequent revision of your assessment.

MR. LOBLEY: I responded to that by saying the rolls must be assessed annually -- must be revised annually. Our complaint is that there seems to be -- in our municipalities the work of assessment is relegated to people who are not equipped to do the work, almost anyone can be made an Assessor, whereas it is work which should be most important and responsible work, and it is scientific work. It would not cost very much more to do it well and it would be the first regular step in an attempt to give the North American system a fair trial. Then if it be found that real estate is being overtaxed then perhaps we might come in at the front door and take more from the inhabitants, and take the rest by loading it onto them through the rent.

COMMISSIONER MacKAY: Has there been any attempt to work out a system like that?

MR. LOBLEY: No, Sir.

COMMISSIONER DAFOE: This is the light to illuminate the world in the future.

MR. LOBLEY: Yes, it is a pious attempt on our part.

"4. Debt charges and the increasing cost of social services and particularly of unemployment relief are absorbing a continually increasing proportion of annual revenues and are tending

"to paralyze normal municipal services;

5. Forced economies in current municipal services are resulting in a huge accumulation of deferred maintenance and expansion."

That is, the condition of municipal roads, side-walks, and so on.

- "6. Having regard to the heavy burden of debt charges, further economies in ordinary expenditures can afford no material relief to the taxpayers of the municipalities.

It follows from the foregoing that an immediate reform of the system of municipal taxation and a redistribution of powers and functions between the different units of government, with an appropriate readjustment of their respective powers of taxation and of their financial relationships, are urgent."

Part 3 gives the provincial revenue, expenditure, and debt in Quebec.

"The taxable capacity of any political unit is ultimately dependent upon the value of its production which determines the income of its people. The following table shows the relative positions of the Canadian Provinces in this respect: --"

And we recommend this information to your consideration, Sir. In Ontario we have a population of 3,524,000, and the estimated annual production, leaving off the millions, is 1465; a per capita of \$415; percentage of net value 42.98. If you follow those percentages down you will see how widely they vary in the several provinces, and we must remember that the taxable capacity of any political unit is ultimately determined on the value of its production.

"It is apparent from the foregoing that the taxable capacity of the Province of Quebec is substantially

"less than that of Ontario.

The following table indicates the recent history of Quebec public finance: -"

The gross funded debt in 1929 was \$76,000,000, and in 1935 \$149,000,000; it doubled in those six years. The net funded debt was \$68,000,000 and it rose to \$132,000,000. There again it doubled in the six year period. The expenditure was \$39,000,000 in 1929-1930 and \$36,000,000 in 1934-1935. The revenue was \$43,000,000 in 1929-1930, and \$32,000,000 in 1934-1935.

"The marked increase in debt is apparent, but the percentage of increase for the period 1925-35 is smaller in Quebec than in any other Province, except Manitoba and British Columbia. But recent large loans and prospective loans in 1937-38 will produce a substantial increase in the provincial debt of Quebec."

Table No. 17 gives the percentage increase in gross direct liabilities to the public, 1925 to 1935, less sinking funds. Of the several provinces you will see that Saskatchewan's increase was the largest one, with 231%, and Manitoba was the least with 55%. Table No. 18 gives the per capita ordinary revenues and expenditures of provincial governments, 1934. This is an interesting table. The per capita revenue of British Columbia is \$31.20, and the per capita expenditure \$31.71. Quebec, which is one of the lowest, the revenue is \$10.28 and the expenditure \$12.13.

"It is clear that the per capita burden in Quebec is lower than in the other Provinces. This is largely due to the more extensive social services provided by the other Provinces and to their ownership and operation of a greater number of public utilities."

At that point, Sir, I would like to inject a reference to the social services, hospitalization, and educational services in the Province of Quebec. The grants of land made in the seventeenth Century by Louis XIV to the religious bodies in this province were in consideration of an obligation taken by the religious bodies to provide the people of the province -- the country then, with educational services, social services, and hospitalization. Those lands at that time were capable of producing sufficient revenue to meet the cost of the simple services which were given, but with the passing of time the income producing power of these lands changed in the hands of the religious bodies; when used for religious purposes, they no longer were capable of producing revenue. If used for commercial purposes they become subject to a municipal tax, and unfortunately municipal taxation has reached a point where it is almost equal to the revenue, and so in those cases the lands have no revenue producing power. Then again, municipal taxation has practically dried up the demand for lands of this kind, and so they are not saleable, and the religious bodies which undertook a tremendous amount of responsibility in this province for social work and educational work and hospitalization, are without the funds to meet these obligations that they undertook at the time of Louis XIV. None of these things appear in any statistical figures, and in fact, it is very hard to get an idea of the monetary value of them, but the fact remains that the province, or the government, must face the problem of coming to the assistance of the religious bodies, or of probably going further than that, and taking an increasing responsibility for education and for social services because the religious bodies must, of necessity, be fighting a losing battle in their attempts to fulfil their seventeenth century obligation.

THE ACTING CHAIRMAN: That applies to certain corporations.

MR. LOBLEY: Quite a number of them.

THE ACTING CHAIRMAN: There are quite a number of bodies which received nothing at all because they did not exist at that time.

MR. LOBLEY: Yes, and that just makes the matter that much worse. They have to rely upon contributions from their congregations.

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MR. LOBLEY : I think it is only fair to the province that this Commission should be conscious of that situation, and also to endeavor to impress upon you, sir, that the government's obligation for education must of necessity be an increasing one, that it is only by the improvement of the education in this province that our people can become better able to create wealth.

Table No.19 is a summary of the ordinary expenditure for the fiscal year 1934 - 35. It gives the public debt, the interest charges, the sinking fund, the charges of management, amortization of the total public debt charges, legislation, civic government and so on, the total being \$36,924,120.

"Against this expenditure of \$36,924,120 there was a revenue of \$31,984,885, leaving a deficit of \$4,939,235. It is important to note that the public debt charges were equivalent to 23.14% of the total ordinary expenditure, and absorbed 26.72% of the total ordinary revenue.

While the expenditures on education and the social services fell below those of other Provinces, the relatively high cost of legislation, general administration and the administration of justice is noteworthy. While Ontario, with a larger population, spent 9% of its net revenue on these services, Quebec spent 26% of its corresponding revenue."

These figures are taken from the Bank of Canada's statistical summary of February 1937, and I corresponded with them on that point.

Of course in this same paragraph the obligations and responsibilities of the religious bodies gives one

explanation for the smaller expenditures in Quebec than in the other provinces, because the expenditures are not recorded anywhere in Government statistics.

Provincial expenditures on administration, legislation and justice, gives the figures both in dollars and in percentage. In Quebec they were \$8,740,000. and Ontario \$6,090,000.

"It is clear that reductions in expenditures arising from the cost of government can be made in Quebec. There do not appear to exist any circumstances justifying the wide margins of difference disclosed in the foregoing table. The savings effected can be passed on to the taxpayer either by reductions in taxation or by greater expenditures on necessary social services. - Once more I would plead for education."

It is of interest to note that all expenditures on unemployment relief in Quebec - insofar as the Province's share is concerned - have been capitalized, and none met out of current revenue. The figures are as follows:

Table No. 21

Unemployment Relief Costs		Total Cost (Province's share)
Fiscal Year		
1930-1931	.....	\$ 1,023,941
1931-1932	.....	7,631,965
1932-1933	.....	6,174,347
1933-1934	.....	8,482,937
1934-1935	.....	<u>10,184,950</u>
		\$ 33,498,140
Amount capitalized	.....	all
Amount taxed for	.....	nil

Then, the percentage distribution of ordinary revenues, 1934-35.

COMMISSIONER MacKAY: How far does that statement apply to municipalities?

MR. LOBLEY : About the same. I beg your pardon, in Montreal it is all capitalized. In some of the smaller municipalities in this province the unemployment relief is taken up in the expenses. Sherbrooke is a good example.

We now have a summary of the ordinary revenue for the fiscal year 1934-35 divided up as from taxation and from other sources. It is interesting to note that the gasoline tax and the motor vehicle tax brought in over ten million dollars out of the taxation revenue of eighteen million dollars. I think this analysis is quite interesting from that standpoint. The motor car produced eleven million dollars, succession duties, \$3,400,000, the corporation tax on capital \$3,000,000, corporation tax on profits \$1,000,000, security transfer tax \$400,000, licences of hotels \$300,000, other taxes \$150,000; a total of \$18,924,737. Of which more than half came from the motor car. In the next section of income, of course, the alcohol business looms large, \$1,700,000. Then, from other sources there is the Dominion of Canada subsidy \$2,500,000, the liquor commission again \$1,000,000, natural resources \$4,500,000, and miscellaneous \$600,000; making the total ordinary revenue of \$31,984,885.

"The foregoing revenue statistics do not include the revenues of the Public Charities Fund, which were as follows: -

Amusements	\$ 852,719
The race track business	81,331
Hospital Tax	461,723
Quebec Liquor Commission payment	1,000,000
A total of	\$ 2,395,773

A Summary of Public Charities Fund

Expenditure	\$ 4,083,622
Revenue	<u>2,395,775</u>
Deficit	\$ 1,687,847

This statement of ordinary revenues for the fiscal year of 1934-35 shows that about \$20,510,000 out of approximately \$21,280,000 derived from taxation, came from seven major tax sources: -

1. Taxes, licenses, etc., under the Motor Vehicle Law
2. Gasoline Tax
3. Succession Duties
4. Corporation Taxes (On Capital and on Profits)
5. Security Transfer Taxes.
6. Licenses of hotels, restaurants, etc.,
7. Permits and duties under the Alcoholic Liquor Act.

All other taxes together yielded about \$770,000.

The following is an attempt to deal with some of the more important taxes in the province, which with your permission I will only touch on in passing. The gasoline tax, which, as you know, with the motor vehicle tax produces more than half the ordinary taxation in the province, an endeavor was made to link it up directly with the creation of highways. We feel that day is gone now and that is one of the sources of revenue of the province and there is no connection at all between the gasoline tax and the amount of money spent or to be spent on roads. We do feel, however, that the motor car does wear out the roads. and there are probably more road miles travelled in the city of Montreal by automobile tires than in all

the rest of the province put together, and every road mile travelled by automobile tire wears out the road so much. I probably should hazard a guess that at least half the automobiles from which these taxes are collected are used in the city of Montreal and wear out the Montreal roads, and this might be an argument for some assistance to be given by the province to the city of Montreal.

"Quebec imposes a Seizin Tax or Court Fee on moveable property situated outside of the Province and passing to non-residents."

Since this brief has been printed this has been repealed and we would like you to ignore that paragraph. The only thing we have to emphasize in the paragraph on succession duties is that:

"Succession duties satisfy the requirements of a good tax. The main problem which they create arises from multiple taxation resulting from the absence of reciprocal agreements between different Provinces and different countries.

It remains urgent, therefore, that governments negotiate further reciprocal tax agreements in order to reduce the possibilities of multiple taxation to a minimum."

Of course as we said in our introduction we feel this is a field which should be vacated by the province in favor of the Dominion.

Corporation taxes and fees. In the province of Ontario we have two corporation taxes, a corporation capital tax and a corporation profit tax. Speaking of the corporation capital tax we believe that this tax

"partakes of the nature of a capital levy, and it offends the elementary principle of taxation which is 'ability to pay'. The corporate structure is an important instrument for the creation of wealth in our modern economic system. It limits liability and it confines the hazard of private enterprise within measurable bounds. Some corporations succeed, others fail. Those which are successful have 'ability to pay'. Those which incur losses suffer reduction of capital and do not therefore possess 'ability to pay'. Nevertheless this tax exacts a toll from the unsuccessful corporation; reduces its already depleted capital, and thereby handicaps its recovery. The subsidiary company is an important artifice of modern business. The capital of a subsidiary company is part of the capital of its parent, yet this tax is applied once to the capital in the hands of a parent and again to the same capital in the hands of the subsidiary. In this way it becomes double taxation, and, if both the parent and the subsidiary", suffer loss instead of profit then the loss is penalized twice by the capital tax. We recommend that this tax be abandoned and that the revenue thus lost to the province be replaced by a necessary increase in the corporation profits tax and increasing the fees for incorporation, and place of business tax. A tax on the profits is a good tax. It is a tax at the point of earning and it is a tax which is proportionate to ability to pay; and in our attempt to be broad-minded we recommend that the corporation profits tax be increased by a sufficient amount to repay the

Government what it will lose by the abandonment of the capital tax. The capital tax is a bad tax, it offends the principle of ability to pay and when a man is down it just pushes him one step further down.

Corporation Income Tax:

"Because of the different systems of measuring profits as between the Province and the Dominion; the annoyance to companies of being required to file two different sets of returns - one to the Province and one to the Dominion; the greater experience of, and information available to, the Federal authorities and expense to the Province of having to check up returns and effect collections"

And if the provincial government is sincere in its desire to be efficient, here is the opportunity for it to express its sincerity.

...."it is recommended that the Dominion be asked to co-operate with the Province by collecting the Provincial Income Tax on behalf of the Province as an addition to the Federal Income Tax, using the same returns, and that the rate of Provincial Income Tax be increased to substantially offset the loss of revenue to be caused by the abandonment of the Corporation Capital Tax."

That is the strong recommendation we make on the Corporation Taxes.

The Security Transfer Tax, we have no comment to make, we just put it in our submission for your use and information.

The licences of hotels, restaurants, etcetra, the same.

The alcoholic liquor act we have nothing to comment on.

The Hospital Tax on Meals. This is a tax of 5% on the price of each meal of thirty-five cents or more. We consider it to be a bad tax. In a city like Montreal, with long travelling distances, many stenographers, clerks, must perforce have one meal in the city each day. On a cold winter day a stenographer gets up early and goes into the city to work and she must eat her mid-day meal in a restaurant. It is hard enough to get a square meal for thirty-five cents, and she needs that amount of food to maintain her physical condition, and to tax her on her meal is a bad tax. Then there is the tourist, and God knows we need the tourist business in Quebec badly, he comes to this province, he buys a meal and at the end of the meal check is this final kick of 5%. We strongly urge that this tax be abandoned inasmuch as it is a bad tax. The amount involved is but small, I think it is about half a million dollars a year, or less. We urge its abandonment from humanitarian reasons if nothing else.

Insofar as the amusement tax is concerned, we have no comment to make at all. We believe the tax is a good tax. The next item is the property transfer duty. This is a duty on the sale or transfer of immovable property made under the Bankruptcy or Winding up Act. There is the property transfer duty and the tax on the proceeds from the sale by sherriffs or balliffs of immovable or real property. In the case of the Bankruptcy or Winding Up Act, there is a tax of $2\frac{1}{2}$ per cent of the value, assessed or otherwise of the thing transferable. There is also a tax of one per cent on the proceeds of sales by sheriffs and baliffs--no, it is of $2\frac{1}{2}$ per cent on immovables. The lending institutions are everconscious of these facts when making a loan with real property as security. It is conscious of these facts because it might be called upon to exercise its security. It must pay these taxes. These lending institutions have also the moratorium to consider. These are things which the lending institutions consider in appraising the value of a security which is offered. The taxes must be paid in the exercise of the security because, although the lending institution does not want to take over the property, being a prudent creature, it must assume the worst, that it will have to take over the property. So, the institution makes a reduction in the price of what it will cost it to take over this property. First of all, it has to pay the taxes, so it subtracts the amount of the tax and of the law costs connected with them from the value of the security. Then, the institution becomes conscious of the moratorium. It realizes that there is a three-year lapse before it can exercise its security, during which period the municipal taxes will go into arrears, so it subtracts three years' municipal taxes plus the interest thereon. The institution becomes

conscious of the fact that during those three years there will be no repairs done, so it makes an allowance for three years' repairs. In other words, the lending institution weighs the value of a security by allowing for these things. This constitutes a very real handicap and discouragement to the creation of wealth in this province in the form of building construction. These taxes and the moratorium constitute one of the most serious discouragements to the creation of wealth in the form of buildings in this province. Small proprietors, in urging for moratoria legislation often do not realize that they are defeating their own ends. In many cases they have lost their equity in the property and they are hoping, by delay, to build that equity back into it. In a great many cases, the lending institutions would not want to exercise the security anyway, but the moratoria legislation, plus these taxes, constitute in our opinion a very serious discouragement to the construction industry which depends very largely upon mortgage loans. It is another evidence of the vicious circle.

Of course, we know that moratoria legislation is not made progressive, it is for the loans of the past. However, we never can tell whether the moratoria is going to be refreshed year by year and made applicable to loans made during the previous year.

COMMISSIONER MacKAY: To what kind of property does that extend?

MR. LOBLEY: To all property.

COMMISSIONER MacKAY: To all kinds of real property?

MR. LOBLEY: Yes, sir.

COMMISSIONER MacKAY: To business property as well?

MR. LOBLEY: Oh yes, anyone can invoke the moratorium.

It is that, plus these taxes which has a lot to do with the place in which the municipal tax situation is to-day. These are the main factors. The next item in the brief is a list of the miscellaneous taxes. Then follows an item headed, "Comparative Taxation, Quebec and the Other Provinces".

It is interesting to note that this reflects rather well upon the province of Quebec. Part V is called, "Municipal Revenue, Expenditure and Debt, in Montreal". The first table has to do with the assessed valuation and funded debt. From that table, you secure the following facts: From the period of 1925-36, the population of Montreal increased by 24.44 per cent--I am reading from the brief--

"The assessed value for taxation increased by 17.66 per cent; and the gross funded debt increased by 101.83 per cent.

(b) In 1925, the ratio of gross funded debt to the assessed value for taxation on real property was 17.25 per cent; in 1935-36 it had risen to 29.60 per cent.

(c) In 1935-36, the value of property exempt from taxation was equivalent to 25.64 per cent of the total valuation.

(d) In the period from 1932 to 1935-36, the assessed value for taxation decreased by 5.30 per cent."

Table number 27 is a very interesting table. This table gives a list of the amount of tax exempt property held by the different institutions. You will observe that of the tax exempt property in the city of Montreal, 53 per cent was owned by the Dominion government, provincial and municipal government. Only 11 per cent was held by churches, religious communities and presbyteries. This is

something which few people realize. It is usually considered that about 90 per cent belongs to the churches. School commissions had 19 per cent of the tax exempt properties and charitable institutions 11 per cent.

"It must constantly be borne in mind that the effect of exemptions from taxation is to impose a proportionately greater burden upon non-exempt property. It is therefore important and necessary to limit exemptions to the lowest possible minimum. In this connection, particular consideration should be given to limiting the exemption of property belonging to the Dominion and provincial governments. These benefit from the services supplied by the City--"

They have fire services, garbage removal and everything else, and should be called upon to pay, at least part of the cost of these services. The next item is a discussion of the present debt situation of the city of Montreal.

COMMISSIONER MacKAY: Just a moment, tax exemptions, as it is used here, means that these properties are also exempt from local improvement taxes, does it?

MR. LOBLEY: No, they pay local improvement taxes as well as water taxes. This is a tax, I think, which amounts to $6\frac{1}{2}$ per cent of the estimated rental value of the real property. However, this property is exempt from municipal and school taxes.

Table number 28 gives the direct and indirect debt of the city of Montreal.

"This table draws attention, apart from other factors, to the disproportionately large amount of floating debt, which appears to have become a feature of Montreal's financial statement of

"the past few years--"

You see the course of this floating debt, while it has varied up and down, has been an increase in the total.

Table number 30 gives the tax situation of the city of Montreal. It pictures the tax situation, gives the tax levies, the arrears and the course of the arrears. Most of this table is for the period 1925-36. During that period the tax levy on real property increased by 36 per cent, although, as is shown in table number 26, the assessed value in the same period increased by only 17 per cent. In the period 1925-36, the tax arrears on real property increased by 49 per cent. A large proportion of the tax arrears in the city of Montreal is made up of taxes on vacant lands. I do not know exactly what the proportion is, but I would say possibly 85 per cent. It has been a tradition in the city of Montreal, for these many years past, not to bring vacant lands to sheriff sales unless the arrears of taxes for any one lot have reached the sum of \$1,000. There are a number of vacant lands upon which the taxes are in arrears from 7 to 8 years. You will remember that the period of confiscation was extended during the Taschereau regime. The number of vacant lands upon which there are many, many years taxes runs into the tens of thousands in the city of Montreal. This is a problem which must eventually be considered by the city. If you notice in the annual tax sales there is never a large amount of vacant lands and almost all of the vacant lands have tax arrears of \$1,000 or over. The sale of this land, in the fringe land, is not being made by means of the sheriff's sale. Of course, the financial picture of the city of Montreal is distorted by this.

COMMISSIONER DAFOE: At the sheriff's sale, do you sell the land for what you can get, or does the city reserve

the right to take over the land?

MR. LOBLEY: The city puts in a bid up to the amount of the tax arrears, and the city becomes the owner. The city does not want the land and it costs money to take it over. So long as these lands remain registered in the names of the proprietors, there is a tax bill sent out every month and these figures get into the budget. There are tens of thousands of vacant properties in the city of Montreal upon which there are many years arrears of taxes.

"The outstanding tax arrears and the rate of collection of current taxes indicate either that there is laxity in collection or that the tax burden is too great."

Of course, in the case of this vacant land, the tax burden is too great because it is not being paid, that is all.

Continuing to quote:

"Having regard to the economic situation of the past few years and its effects on business in general and on real property values in particular it would appear that real property is being called upon to bear an unduly large share of the total burden of taxation. This accounts, in part at least, for the unsatisfactory situation indicated by the total of uncollected taxes."

Then we come to the table of revenues and expenditures, giving in percentage form an analysis of the revenues and expenditures. It shows how large a proportion of it is derived directly or indirectly from real estate.

"(a) It is anticipated that 83.49 per cent of the total revenue in 1936-37 will be derived

"from taxation.

(b) The tax on real property is expected to contribute 50.37 per cent of the total revenue; this tax, together with the water and business taxes, which are based upon the rental value of real property, and the surtax of 8 per cent, will account for 73.29 per cent of the total revenue or 87.78 per cent of the total receipts from taxation.

(c) Debt charges are expected to consume 40.67 per cent of the total revenue, and by far the larger part of the remainder of the revenue is fixed or nearly-fixed."

THE ACTING CHAIRMAN: In table 31, estimated revenues, 1936-37, there is an item under "Other Revenue" headed, "Interest", which amounts to \$4,385,000, what would that be?

MR. LOBLEY: A lot of that is interest on tax arrears. These figures can be made to do almost anything. As I said before, one question which we would like to point out to the Commission, is that so much of this expenditure is uncontrollable. It is fixed or nearly fixed, and the margin for economies and cushioning is pitifully small.

You will see the course of the debt charges from the year 1931 to 1937. The debt charges for the city of Montreal have increased from \$12,000,000 per annum to \$19,500,000.

Part IV deals with direct relief.

"The debt situation has been pointed out in tables 26 and 28. In the period since 1931, it has been aggravated by the funding of unemployment relief costs and deficits on current account."

The city's share of direct relief has increased from \$397,000 in 1931 to \$5,529,000 in 1936.

"The whole of Montreal's expenditures on direct relief has been financed by loans. If, however, the municipalities are to continue to bear a certain portion of the costs of unemployment relief, and if these costs continue to recur annually, it is unsound to continue to meet them by borrowing. A recurring expenditure must be provided for out of current revenues. The city of Montreal will, therefore, have to budget annually for direct relief costs."

THE ACTING CHAIRMAN: As it is one o'clock, we will adjourn until 2.30.

AFTERNOON SESSION

The commission resumed at 2.30 p.m.

MR. LOBLEY: We had reached before lunch Table No. 35 on page 36, revenues and expenditures from 1931 to 1935, including school taxes and special revenue, but excluding local improvement taxes. In 1931 the revenue was \$39,000,000, and in 1934-1935 it was \$40,000,000. The expenditures, however, run from \$40,000,000, \$45,000,000, \$57,000,000, and \$45,000,000, showing an annual deficit which starts at \$1,000,000 in 1931, \$2,000,000 in 1932, \$7,000,000 in 1933-1934, and \$5,000,000 in 1934-1935. The total deficit was \$14,000,000 or \$15,000,000 in those five years. As in the case of direct relief costs, revenue deficits have been funded. As a matter of general practice, this is not a sound policy.

Table No. 36 presents comparative statistics for the Cities of Montreal, Toronto, Winnipeg and Vancouver.

"It will be noted that: -

- (a) The per capita tax levy of Montreal is \$41.61, as compared with \$55.67 in Toronto, \$42.07 in Winnipeg, and \$44.70 in Vancouver.
- (b) The per capita gross funded debt of Montreal is \$319.53, as compared with \$286.03 in Toronto, \$290.93 in Winnipeg, and \$270.71 in Vancouver.
- (c) In the period between December 31, 1929, and April 30, 1936, the gross funded debt of Montreal increased by 58.02%, as compared with 9.72% in Toronto.
- (d) On April 30, 1936, the ratio of gross funded debt to the total assessed value for taxation was 26.48% in Montreal, as compared with 18.63% in Toronto.

These facts speak for themselves. The debt of Montreal has grown unduly. It is essential that measures for the more effective regulation of the rate

"of increase in debt be introduced.

Without minimising the blame which attaches to past Municipal Governments or deprecating the special problem of unemployment relief, it is felt that the financial plight of the City of Montreal is largely due to the failure of the Provincial Government to impose the firm restraint on the borrowings of its creature, the City of Montreal, which it was empowered to do."

Table No. 36, that is, the comparative municipal statistics, gives a comparison of assessed values for taxation, percentage increase or decrease in assessed value of taxation, and are the statistics from which the previous highlights are extracted. Paragraph 6 deals with the municipal taxation in Montreal.

"It is difficult to analyze a municipal tax system on the basis of modern economic principles of taxation. Within its limited jurisdictional powers exercised in a limited geographic area, the City is not always in a position to consider such principles. As the functions of Governments have increased in recent years, the Dominion and the Provinces in Canada, and the Federal and State authorities in the United States, have taken over the more lucrative of the new sources of revenue, leaving the municipalities to discharge their new and growing responsibilities by resort to old methods of taxation. As a result, the property tax is still by far the mainstay of municipal finance. As a general rule, the taxes and licenses which supplement it contribute relatively a much smaller proportion of the total municipal revenues."

Following that is a detailed description of the property taxes in the City of Montreal, which is introduced here more for the purpose of record than argument. We would like to mention, however, the expropriation problem. We comment that at times it would appear that there is no consistent policy in the distribution of the costs of expropriations and local improvements as between the general body of taxpayers and local proprietors.

We now come to the considerations on real property taxes.

"In the fiscal year 1935-36, the tax rate on real property in Montreal, including the general and the special general assessments plus the surtax of . . . , was 17.9 mills plus 7 or 10 or 12 mills for schools, according as the proprietor was classed as Catholic, Protestant or neutral.

Comparative tax rates on real property in ten Canadian cities are shown in the following table, which also shows Montreal's rate to be the lowest."

Here we have the figures for Montreal, Toronto, Winnipeg, and Vancouver. Of course, these comparisons do not mean very much unless you have regard to the assessed values and to the principles on which these assessed values are determined. If the level of the assessed values is unduly high the mill rate may be low; conversely, if the values are low the mill rate may be high.

COMMISSIONER ANGUS: Even apart from that, the assessment in Vancouver, for instance, is on the site value plus 50% of the value of the improvements.

MR. LOBLEY: Of course, when you say the value of the improvements - -

COMMISSIONER ANGUS: The assessed value.

MR. LOBLEY: We would feel, Sir, that the so called

value of the site plus the improvements in Montreal, is in the main, considerably higher than the market value or the value of the thing in use. I do not know whether in Vancouver it is 50% - - -

COMMISSIONER ANGUS: There is a variation. I was pointing out there is a variation because of the variation in the assessed values.

MR. LOBLEY: These figures are not very significant.

"In the fiscal year 1935-36, the real property taxes in Montreal yielded 61.87% of the total revenue from taxation. If, to these taxes imposed upon the owners of real estate, are added the proceeds of the business and water taxes which are imposed upon occupiers, the total yield was equivalent to 88.29% of tax revenues and 72.33% of total revenues.

The importance of real property as a source of revenue is common to all municipalities. It has been estimated that in the five years from 1929 to 1933 the percentage of the total amount required to administer the City of Winnipeg which was levied on the owners or occupiers of real property varied between 91.79% and 93%.

The tax on property is one of the oldest forms of direct taxation. It is likely to continue in existence as long as Municipal Government exists, because it is one of the few taxes that can be successfully imposed by municipalities. Real property is fixed: it cannot be removed or hidden. Hence, tax evasion is almost impossible. As the responsibilities and expenditures of municipalities increase, the burden on real property becomes greater. It can only be reduced as other sources of revenue are discovered or as the duties of the different units of Government

"are redistributed."

Next follows a quotation from the Alberta Taxation Inquiry Board of 1935, following which we say:

"While real property is undoubtedly an important source of income, it does not follow that the assessment of a person's real property necessarily bears a relation to his capacity to pay taxes. A person may own real property and may yet be insolvent, although required to pay heavy taxes on the basis of the assessed value of his property. The reason is that the assessed value may bear little relationship to the market value and may have less regard for the revenue derived from the property.

Between 1931 and 1936, the assessed value for taxation in Montreal declined by about 5% while rentals declined between 20% and 40%. In the same period, the tax rate rose by over 19%. The estimated decline in the number of property owners from 77,000 to 69,000, between 1931 and 1935, is therefore, easily understood.

In order that the taxation of real property be made more equitable, it is necessary that uniform principles of assessment be adopted in order to improve the method of valuing property, and that the basis of assessment be revised with a view to giving greater consideration to the earning power of property, that is, its income-bearing capacity. The present tax based on capital value does not conform to the principle of 'ability to pay.'"

We next deal with the water rate in Montreal, which is a percentage of the rental value of the property, and which is levied on the tenant in the main, although there are occasions where the landlord pays it.

COMMISSIONER ANGUS: Does the water rate which is paid more than pay the cost of the water?

MR. LOBLEY: I think so.

COMMISSIONER ANGUS: It is a source of revenue?

MR. LOBLEY: Yes, it is a source of revenue. Of course, there is quite a long history behind the Montreal water system. Montreal is one of few cities with a sales tax. It was introduced as an emergency, and a measure of expediency in order to balance the budget. It is, in our opinion, a bad tax because in general we dislike sales taxes, although they admittedly have to exist, to some extent, but we do not see why it should exist in the case of a municipality, where it is imposed in a confined or limited area. Were it not for financial expediency we would urge its discontinuance.

"In Canada, the sales tax was until recently confined to the Dominion consumption or sales tax on all goods produced or manufactured in Canada, or imported into Canada, the tax being payable by the producer, manufacturer or importer. The present rate is 8%.

In the United States, there is no Federal sales tax, but a tax on sales, or its equivalent, is imposed in about twenty-five States and in a number of important municipalities, including the City of New York. Most of these taxes are on retail sales, and about two-thirds of them require the merchant to add the tax as a separate item on each sale or each group of sales made at one place and at one time. The highest rate in any State is 3% and other rates

"are considerably lower. The rate of the municipal sales tax in New York is 2% on retail sales plus a gross receipts tax of 2/10% of the receipts of a trade or business in excess of \$15,000 per annum.

The sales tax is generally condemned by students of taxation. It violates the basic principle that taxes should be based upon ability to pay. It is inequitable, and, in effect, regressive. 'whatever opinion may be adopted toward the distribution of the tax load considered as a whole, there remains no doubt that the sales tax is a 'poor man's tax'; even its advocates do not deny this. The wealthy spend a far smaller percentage of their income on the retail purchases that are tax-burdened than do the poorer classes, so that a man with ten times the income of another contributes far less than ten times the sales tax that the other pays'. Since the tax is paid in small amounts day by day, the taxpayer has no clear idea of the total amount of the yearly tax, which therefore constitutes a deceptive burden.

Particular problems arise from the taxation of retail sales in local areas. The tax lacks the advantage of simplicity. It is inconvenient and vexatious to the merchant and to the consumer alike, and requires a great number of rules and regulations and interpretations. The cost of administration tends to be higher than in the case of most other sources of revenue owing to the large number of individual businesses requiring some form of supervision. In many cases, such as arise from the number of small shopkeepers, evasion is unavoidable. In other cases, the tax is evaded by purchases made outside of the

"local tax area.

It appears that even were the sales tax a desirable form of taxation, it should not be imposed in a local area. In the City of Montreal the consumer now pays the municipal sales tax of 2% in addition to the Dominion tax of 8%, the latter rate being higher, in effect, by the time the tax is shifted on to the consumer. Municipal authorities must bear in mind the possible loss of business transactions and new business enterprise in favour of localities where the tax system is less inconvenient.

The sales tax was originally imposed in the emergency of the post-war years. It was found to be expedient, and can only be justified if expediency is accepted as a sound and just principle of taxation."

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To conclude :

"Insofar as the Montreal sales tax is concerned, it must be pointed out that the cost of administration is relatively small. It cannot be demonstrated that the tax has as yet interfered with trade to any marked degree. It yields a substantial revenue which the City requires and could only be abolished if a new source of revenue were found to replace it."

In other words, Montreal is on the spot and has to indulge in every conceivable thing it can to balance its budget.

Income tax in the same way. Montreal has introduced a city income tax. It is a comparatively small amount. It is 10% of the amount of the Federal income tax payable if such amount is \$200 or less, 15% if the amount exceeds \$200 but not \$400, and 20% if your Federal tax is more than \$400. It is a good tax, it is equitable, it is elastic, it is productive, but we do not favor the imposition of income taxes by municipalities generally.

COMMISSIONER MacKAY: How does the city get at a man's income?

MR. LOBLEY : It is done more or less by an honour system. You are supposed to make an affidavit as to what you have paid to ^{the} Federal Government and you make a return, and that is all you do in the return. If you have paid nothing to the Federal Government you are supposed to make an affidavit saying you have paid nothing to them. It is not a water-tight system but I suppose it is the best that can be devised. The only other way they could do it would be to ask for income tax returns which would involve a very large department.

COMMISSIONER MacKAY: Do they examine the wages or salaries paid by corporations?

MR. LOBLEY: It is not a very tight system. It has all the ear-marks of an expedient.

There is a tax on banks, the details of which are given. Also a tax on insurance companies. There is a tax on the capital stock of companies enjoying franchises.

Then there is a surtax on the municipal tax.

There is an amusement tax.

Number 13 deals with the contribution of public utilities.

"The Montreal Tramways Company pays an annual sum of \$500,000 for its franchise, in accordance with the terms of its contract with the City.

The Montreal Light, Heat & Power Consolidated and the Bell Telephone Company of Canada agreed to make voluntary contributions of \$225,000 and \$125,000 respectively, for the years 1935-36 and 1936-37", - these proportions were revised last year incidentally, - "for aiding the re-establishment of the finances of the City of Montreal". These contributions were ratified and declared exigible by the Legislature, which also stipulated that they form part of the ordinary revenue of the City".

We feel that it is unusual for large Public

"Utility Companies to make substantial money-gifts to municipalities. In this case the gifts were accompanied by a statement that they were 'for aiding the re-establishment of the finances of the City of Montreal'. By reason of these gifts an unsound precedent was established both from the viewpoint of the Utility Companies, as

well as from the viewpoint of the City.

Neither Public Utility Companies, nor any other class of taxpayers should be required to make money-gifts to the City; the tax structure should be designed to meet the City's budget on a fair, scientific and sound basis."

It might be appropriate at this point to read table No.39 which occurs on page 48 and has to do with Dominion Income Tax on privately owned public utility

"The Province of Quebec determines the rate structures of public utility companies within its borders. In doing so it may be assumed that it takes due cognizance of the obligation of such companies as are privately owned to pay federal income tax and places the rates at a level which will not deprive the companies' shareholders of an adequate return on their capital by way of net profits after income tax has been paid on the earnings of these companies. In other words, somewhere in the rates paid by the Quebec consumer is to be found the federal income tax which goes into a public purse from which a minor fraction only comes back to be spent for the Province, the rest being spent for the benefit of the remainder of the Dominion. Ontario, for example, receives its share of this benefit, yet consumers taking power from the Ontario Hydro-Electric Commission there, since they deal with a publicly-owned public utility which is exempt from income tax, pay no similar tax. The following statistics taken from the Census of Industry 1935, Central Electric Stations in Canada, afford striking

illustration of the benefits by way of exemptions to publicly owned public utilities."

Here follow the statistics showing the taxes in Quebec and in Ontario and the percentages thereof. The taxes on commercial and municipal power in Quebec being \$4,000,000 and \$11,000; in Ontario it is just \$1,000,000 and \$275,000.

"This irregularity of treatment needs correction (unless it be felt that it constitutes a proper and justifiable discouragement of private ownership in the public utilities field - a doubtful proposition). The best method of correction would seem to be for the Dominion to allow each year to each province a special grant-in-aid equal to the amount received in the previous year in Dominion income tax from the privately owned utilities of that Province. The Province could then budget accordingly so that the Quebec consumer, though having paid in one year, would derive an equivalent benefit by the alleviation of a like amount of some tax in the next year."

COMMISSIONER ANGUS: Would not that mean if a province were to create a new public utility such as you mentioned the Dominion would have to hand over the taxes on that type of enterprise in each of the other provinces to the province concerned?

MR. LOBLEY: Yes.

COMMISSIONER ANGUS: So that one province being fairly, shall we say, socialistic, going into a good many public utilities, the effect would be to deplete the Dominion revenues in each of the other provinces?

MR. LOBLEY: We were thinking there more particularly of power derived from waterfalls. That is the only public utility we thought of, I mean such public utilities as telephones, railways and things are a little different. It is the waterfalls we are thinking of. It is this essential factor for the creation of wealth, energy. There is natural energy, and we were only thinking of energy and natural resources.

COMMISSIONER MacKAY: There is no real difference, is there, between a privately owned public utility and a mining company or lumbering company? Each has its income from natural resources.

MR. LOBLEY: In our opinion we regard wealth as the application of energy to matter to produce something which is useful or enjoyable. And here we have one of the components of wealth which is energy in the form of water-power. We were not thinking of matter in other form, either trees in the stumps or gold in the ground. We were just thinking of energy.

That concludes our submissions, sir. We would be glad to answer any questions that we might be able to answer.

COMMISSIONER MacKAY: Has the Board of Trade any specific recommendation to make in regard to municipal taxation?

MR. LOBLEY: I suppose you are thinking of the magnitude of the public debts of the municipalities, in the first instance?

COMMISSIONER MacKAY: I am thinking that you have given us a very great deal of useful fact material. I wonder if the Board of Trade drew any conclusion from that?

MR. LOBLEY: In connection with municipalities?

COMMISSIONER MacKAY: Yes.

MR. LOBLEY: Well, we feel, in the first instance, we should consider the question of real estate, I mean to approach it, in stages. There have been many organizations who say that real estate is crushed out of existence, the burden on real estate is intolerable, and so on. We realize, we look upon real estate as a tax collector and it can function within due bounds as such.

In the first instance, properties should be assessed in relation to their income-producing power, carefully and sensibly assessed. Then we next have the mill rate to consider. You see, the burden must ultimately land on the shoulders of the people. It cannot stay on the real estate. It has to be shifted on to the shoulders of the people. By a scientific ^{re-}assessment of real property, from the standpoint of its earning power, its revenue producing power, we shall then know to what extent the burden is intolerable. Then, if relief is necessary, relief must be found.

Now, it is the people in the municipality who pay the taxes, whether they pay it to the municipality or they pay it to the province or they pay it to the Dominion. You cannot get blood from a stone. Most of the taxes or a large proportion of the taxes of these municipalities are caused, not by unemployment relief, but by the extravagances and borrowings of the past. The municipality cannot default on these obligations. A city like Montreal cannot just go into bankruptcy. If the burden is intolerable then the province, which is the next senior government, must come to its assistance and must assume some proportion of the debt, because the municipality is

the creature of the province, and if that province has allowed the municipality to run wild in the past and build up these fabulous debts, then the province must bear its share of the responsibility. But we feel you cannot talk on that point until you have a careful re-assessment of the properties and the determination of what the mill rate should be to balance the budget.

At the present time in a city like Montreal we do not consider the mill rate every year. The mill rate should be the thing which balances the budget, not the discovery of new taxes. If you worked it the other way and were to find out what the mill rate should be in order to balance the budget, and if the mill rate started to go up, you would have a tax-conscious people and then you would get nearer control over extravagance from that angle, whereas in the past we have had to depend on the control from the province.

So, to answer your question specifically, we think first of all a scientific ^{re-}valuation of the property should be done in order to determine its income producing-capacity, because it is from this re-valuation that the taxes must come. I mean, if a building is lying idle and no one will inhabit it, it is only a matter of time before it comes into the hands of the sheriff.

COMPTON LONER DAFOR: Under that scheme you might have a mill rate so high that people will abandon the property and let it go into tax sale.

MR. LOBLEY: You see, they have got to live somewhere. What happens is this, sir, that you depress the style and standard of living. The pressure is downward. Ultimately you would find people living in dog kennels and paying \$120 a month for it, of which \$100 would go to

the city and \$20 to the landlord. The effect is a pressure downward, and it has a tendency to depress the style and standard of living.

COMMISSIONER DAFOE: Taxes of the nature suggested are of the nature of income taxes; this might be a very good idea but you have the senior governments doing that as well and after all you are in the third position when it comes to collecting these taxes. You might not be able to get your proportionate share. We have heard from one end of the country to the other the complaint that taxes are charged against land which the senior governments either jointly or individually should assume, such as fifty per cent of the educational taxes; it is not fair, it is said, to charge social services and things of that sort against land; the argument being made over and over again that only those services which, so to speak, serve real estate should be charged against it. I suppose that has been the most consistent representation that has been made to us in every province we have been in. Would you have any comments to make on that?

MR. LOBIEN: Yes, I would. The people who pay the taxes to the Dominion and to the province are the same people as those who pay the taxes to the municipality. In one case they pay it direct to the Dominion in the form of an income tax, by an income tax return, in another case the same people pay it to the municipality in their rent which they pay to the landlord, who in turn pays the municipal tax to the municipality. And you may be sure that until the landlord can unload those taxes on to the shoulders of his tenants he won't build any more, and sooner or later the same thing will sit on the shoulders of the same people. Your taxpayer is one and the same individual

and you can take a little off his shoulder and put it on another. But the question is one of borrowings and spendings in its elementary aspect. You do agree with this, every person I think does: You see the problem of the tenant is to resent the burden of taxes. I mean, the problem of the landlord is to unload the taxes on to the tenant. So the landlord starts the first day of the year to include the taxes in with the rent and put it on the shoulders of the tenant. The tenant on the other hand resents this and tries to throw it back on to the landlord. While this squabbling is going on the landlord does not build any more buildings, so the law of supply and demand enters. And so we find in Montreal vacancies are decreasing and decreasing every year until there are few vacancies. The tenant says "I will step down one, I will step into a cheaper place. I will take on to my shoulders the taxes but, you see, of a less expensive habitation." So the pressure is a downward pressure. Therefore in Verdun there are hardly any vacancies in Montreal and yet in the top stratum there are lots of vacancies. So this burden reduces the style and standard of living, and also it does discourage new building. But the people that pay the taxes are one and the same people. It is the citizen of Canada. He is the same man, he may have three hats. He puts on one hat, that is the Dominion, and he takes it off and puts on another which is the province or the municipality. It is the same man. And so you are not going to get very much further forward by giving him a little relief in one direction and hitting him harder in another. It is the spendings and borrowings that are putting him in the plight that he is in.

And of course each unit of government has its own self-interest to consider, but it is as broad as it is long. The spendings and borrowings are the things that are really putting the burden on this one man, the Canadian citizen taxpayer.

COMMISSIONER LATOIE: With respect to the sales tax about which you have made representations--the commissioner responsible for the collection of that tax gave evidence before this Commission in Ottawa. He claimed that the exemptions were of such a character and of such scope that the tax did not bear so severely on the people in the lower brackets of income as is the usual criticism of the tax. He did not think it was an ideal tax, but he said it was not as burdensome as critics ordinarily stated, owing to the great extent, variety, and character of the exemptions. Do you think he was on sound ground?

MR. LOBLEY: No, I disagree with him. The exemption of gasoline used in motor launches and food, of course, food is exempt, but on clothes, furniture and other material things bought by a large body of the people, the sales tax is the same for the rich and poor. I disagree with him entirely on that point.

COMMISSIONER MacKAY: I take it from your statement concerning municipal finances, that you believe it is too easy for municipalities to borrow, that is the real problem. Have you any suggestions as to how municipalities could be prevented from borrowing?

MR. LOBLEY: We feel that the municipality is a creature of the province and that it is the duty of the province to supervise the borrowings of the municipality. In the years which have passed, the province has not done this. The past debt of the city of Montreal is not represented by any wealth at all, it is represented by waste. A large proportion of the annual income of the city pays the service charges on these borrowings which represent, not wealth, but waste.

COMMISSIONER MacKAY: Would you have a province pass

upon any additional bonded indebtedness for the city?

MR. LOBLEY: Yes, if the city is not capable, if we do not possess sufficient public-spirited people, well-enough educated to control ourselves, we must have a higher authority to do it for us.

COMMISSIONER DAFOR: It seems to me we had representations from delegations which came from municipalities to us in Ottawa in January that there ought to be some kind of a new deal, by which large cities such as Montreal should be exempt from control by the province, on the ground that such cities could administer their affairs better than the province could administer its own.

MR. LOBLEY: We do not concur in that, sir.

THE ACTING CHAIRMAN: Mr. St. Laurent, have you any questions to ask?

MR. ST. LAURENT: Yes, there are just a few questions which I would like to ask.

BY MR. ST. LAURENT of MR. LOBLEY

Q. There are a few questions I would like to ask with respect to the Board of Trade. How old and how large a body is it? A. It was founded in the year 1822, I think, at the time of Peter McGill.

Q. How large a body is it? A. Around 2,000 members.

Q. And the members are drawn from what walks of life?

A. All walks of business life.

Q. Are there professional men in the organization?

A. Professional men, business men, and some of our leading Montreal citizens of all kinds.

Q. Could you give a rough approximation of the proportion of the business life in Montreal which the Board of Trade represents? A. I would say that the Board of Trade is a very complete cross-section of business life

in the city of Montreal.

Q. Representing the business life of the city of Montreal? A. Yes, I think so, very largely.

Q. Would it be fair to term the views put forward by the Board of Trade as being a fair cross-section of the views of business generally, in Montreal? A. The report upon which our submission was based was circulated to all members of the Montreal Board of Trade in the month of November, 1937. This work has taken almost two years to prepare. The work was carried on by a committee representative of the members of the Board of Trade. Then, when it was finished, it was circulated amongst the membership, so I think it is fair to say that it is a fairly good representation of what they believe.

Q. On page three of the brief you state that the inquiry now being carried on by this Royal Commission is a "step in the right direction"? A. Yes.

Q. That might be taken to be the view of the Board?

A. You see, this brief was started in 1935 by a committee whose work was to make a summary of the public debts of Canada. Then, when we had that we felt at that time, that a Royal Commission of Inquiry on Dominion-Provincial Relations would be a step in the right direction. This came out in our report long before this Commission was thought of, and it is really an incorporation of that into this brief.

Q. I was curious to know whether that still represents the view of the Board of Trade at the present time?

A. I think so, yes.

Q. This was not written because of the fact that there had been any suggestion that an inquiry by a commission such as this might be a step in the wrong direction?

A. Oh, no.

Q. In view of possible controversy about the matter, do you wish the Commission to take it that it is still the view of the Board of Trade that it is a step in the right direction? A. Yes.

Q. On page four in the first paragraph which is in bold face type the statement is made:

"Unfortunately to-day it is borne in upon any business enterprise extending across Canada that the country consists of nine separate selfish entities, each claiming sovereignty in an ever-widening field and each with a separate and different set of corporation laws and a separate and different system of corporation taxation."

Then, further down in the same paragraph:

"The tendency of the past decade has been towards disintegration into a number of separate sovereign states."

Is that correct? A. That is one of our beliefs.

Q. To deal now with more specific instances, I understand you suggest or that your view was that taxes might be imposed at the point of earning or at the point of spending. Your preference was for the imposition of the tax at the point of earning, was it not? A. Yes.

Q. And you looked upon the sales tax as a bad tax because it was imposed at the point of spending, and it was coupled with the suggestion that it bore in a disproportionately heavy manner in the lower income group, that is what I gathered from the tenor of your brief.

A. Yes.

Q. On page six, paragraph eight, in the second column, there is a quotation to the effect that a tax ought to-

be convenient from the standpoint of the taxpayer. I presume you would agree that the sales tax is, at least, not an inconvenient tax from the standpoint of the taxpayer? A. Because a tax is convenient does not mean that it is a good tax.

Q. I am not trying to justify the sales tax, but it has that one good feature, has it not? A. Oh yes, it is a very convenient tax. It is self-collecting, also.

Q. Now, can you tell us what is the amount, the approximate average amount of this sales tax collected in the city of Montreal? A. No, I cannot.

Q. You have not that information? A. It may be \$5,000,000 or \$4,000,000, that is a rough guess. We could find the exact figure if you would like to have it.

Q. It might be, possibly, of interest in view of the suggestion that it is a tax which should, if possible, be eliminated. A. You mean the Dominion Sales Tax?

Q. No, the City Sales Tax. A. Oh, the amount would be about \$3,000,000.

Q. So, the city Sales Tax amounts to \$3,000,000; is that just from the municipal corporation of the city of Montreal, or is it \$3,000,000 for the whole area?

A. \$3,000,000 for the whole area.

Q. Approximately what is the population of the area?

A. Approximately 1,000,000,

Q. So it would be roughly a tax of about \$3.00 per capita? A. Well, mathematically, yes, but I would not like to leave the answer at that.

Q. I am not suggesting that as a matter of fact it is \$3.00. A. No, but it is assuming that all the babies pay sales tax. There are, we will say, thirty or forty thousand families on relief. This would mean approximately

150,000 souls on relief. Of those souls, some are babies, some are old men; there is no developed connotation of per capita business in this field.

Q. Then, have you an estimate of the amount of Montreal income tax? A. \$1,200,000.

Q. That is at the rates which are set out in the brief and the system is that an individual taxpayer is required to file an affidavit as to what his federal income tax amounted to--I do not know whether it is used, but there is a provision for the city officials to check with the federal Income Tax Commissioner, is there not? A. I do not know about that.

Q. I think we were informed in Ottawa that there was such a provision. A. By whom?

Q. By the Income Tax Commissioner. At any rate, if there is not, it is something which might very well be brought about by better relations between the taxing departments, is it not? A. I was wondering whether it was legally possible.

Q. Have you any idea as to the number of individuals contributing to that \$1,200,000, by way of income tax?

A. I am sorry, I have not.

Q. Now, with respect to the broadening of the base of the income tax. Have the members of your committee given any consideration to the net return which the broadening of the basis of the income tax might yield? A. We have made no statistical study of it.

Q. Or by lowering the exemptions? A. No, our recommendation is to broaden the base and lower the exemptions.

Q. The impression one might get from the representations, made before the Commission in Ottawa was that in the lower brackets, the net yield was not large. A. That

is probably so, but we, nevertheless, feel that it is sound. While the net yield may not be large, it would not be small and it makes people tax-conscious. This makes for better citizenry. It is a stronger, more courageous method of taxation.

Q. But, if the net yield were not a large yield, it is a kind of tax which is quite inconvenient to the taxpayer, having to fill out returns and file them, is it not?

A. We will admit it is inconvenient, but, nevertheless, we still maintain that it is a good thing.

Q. I thought I understood you to say this morning that you were commending to the Commission what had recently been done in England with respect to public taxation? A. Yes.

Q. But is it not a fact that one of the things which was done there was the addition of tuppence on tea?

A. Oh yes, that is so.

Q. Is not that a thing which, in England, would reach the same strata of population as that reached by our sales tax? A. Yes, I think perhaps I should amend my answer. We go back to the question of taxes at the point of earning and at the point of spending. We have enunciated the general principle that taxes at the point of spending are better than those at the point of earning. We do not want to give the impression that taxes at the point of spending can be avoided, but we do feel that an eight per cent Dominion sales tax, and a two per cent city sales tax is carrying things too far. Before the war, before these sales taxes were introduced, a large departmental store which made three per cent net, would be a very successful business. Yet, to-day the governments take three times as much in the

modern tax. If you multiply that all out, you will see how astonishing it is.

Q. But it is a tax which yields a large revenue, is it not? A. Yes, but that is the average.

Q. I am just wondering what can be put in its place.

A. A broadening of the basis of the income tax.

Q. But from the information we have received, the broadening of the basis of the income tax would not yield anything like 10 per cent of the amount? A. Supposing you get \$50,000,000 by broadening the basis of the income tax and decreasing the exemptions. This would not inconvenience the taxpayer anymore than he is at present inconvenienced. Then, instead of having to get \$80,000,000 out of the sales tax, you would only have to get \$30,000,000. This would be some measure of relief.

Q. With respect to the reducing of exemptions on the income tax will you just be a little more specific? What concrete reduction would you suggest?

A. Well, at the present time a married man gets \$2,000.00 with \$400.00 for a child. Suppose the exemption were only \$1000.00 for a married man and \$200.00 for a child; we feel that there should be a lowering of the exemption, to those in the lower and middle brackets, and a higher rate of tax in those brackets.

Q. A higher rate of tax in the lower and middle brackets?

A. We feel in the higher brackets, - although we have no axe to grind for rich people, we are not rich people ourselves, but some of those rich people perform a very important function by distributing wealth.

Q. I suppose there is this also, that whether we call it evasion or anything else, there would be a tendency to a flight of capital?

A. Yes. We think that if we could bring that about we could make for a more enlightened Canadian citizenry. The tendency of indirect taxation is to make people unaware of the tax they are paying.

Q. Of course, you have given thought to the fact that the lowering of the exemption would also greatly increase the burden in the higher brackets. If you take away a thousand dollars of exemption, that thousand dollars in the highest brackets is subject to a \$600.00 tax?

A. You are quite right, Sir.

Q. On page 5 there is the statement that the greater part of the burden of taxation is borne by the producers rather than by the spend-thrifts of society. Do you mean the sales tax does get the spend-thrifts?

A. One of the tendencies of a tax at the point of spending is that they start at the point of spending, then they have a tendency

to move back to the point of spending. Take the Dominion Sales Tax of 8%, no longer is it at the point of spending, it is somewhere between the point of spending and the point of earning. The sales tax is paid, or is calculated not on the retail price of the thing sold but is calculated on the price at which the thing would be sold by a bona fide wholesaler, and there is a tendency in some industries for some part of it to be absorbed by the manufacturer, and to become a sort of income tax.

Q. Well, that would not be so, with respect to the municipal sales tax in Montreal? A. No. That is a point at the exact moment of spending.

Q. Then will you refer to page 18, in Table 18 there is given the per capita ordinary revenues and expenditures of the provincial governments. Do you know, for instance, with respect to Ontario, the income and expenditures, if the publicly owned utility companies are included? A. They are not included.

Q. Then on the following page, at the top of the page, it is suggested "it is clear that reductions in expenditures arising from the cost of government can be made in Quebec." That refers, I take it, to the great proportion of the sum spent on the administration of justice and on civil government in the Province of Quebec? A. Yes.

Q. And the statement is made that there seems to be no reason for the difference there. Of course, we have a bilingual legislature here? A. Yes.

Q. And we also have a system of magistrates, courts organized and financed by the province and doing much of the administration of justice that is done in the other provinces by County Courts, which might account for some portion of the difference, might it not? A. Yes.

Q. With respect to the corporation tax on capital, the view of the Board of Trade is that it is a tax which should be eliminated and the amount represented thereby produced rather by a tax on the profits on corporations making profits. The capital tax produced at the present time, from the figures here, is something over 3,000,000 while the 2½% tax on profits produced only about \$1,000,000. It would take a 10% tax on profit to produce enough to replace the capital tax on corporations?

MR. BUZZELL: We would suggest, I think, that the incorporation fee of companies be increased, and that the place of business tax should be increased to absorb some of that loss.

Q. Well, have you made any estimate, Mr. Buzzell, of what that might amount to?

MR. BUZZELL: No, we have no statistics of that.

Q. It would take a very substantial increase in incorporation fees to amount to a substantial annual sum?

MR. BUZZELL: And the place of business tax, if it were doubled or trebled, would produce quite a substantial revenue.

Q. You have made no estimate as to that?

MR. BUZZELL: No.

MR. LOBLEY: Notwithstanding it is one of the worst taxes we have,--we have referred, I think, Mr. Chairman, to the amusement tax as being a bad tax, to the hospitalization tax on meals as being a bad tax, to the corporation tax on capital as being a bad tax, and to the principle of taxing too much at the point of spending as being bad in principle--it has been our endeavour all the way through not to be critical, so I think there are only three that we really have in mind. Of course, the courthouse and jail, which is

a small item and hardly worth calling a tax, it does not amount to much, \$77,000. or something.

Q. It is not a large amount, but it is a tax which arises at a period of misfortune?

A. Probably the most drastic thing we refer to is the corporation capital tax. It is true that it has produced a great deal of money, but the fact remains it is a very bad tax, and we must cudgel our brains to find some way to replace it. We do not want to carry on in this province gouging a great deal of money from a bad tax. When a company is down, when it has not made profits for years and its capital is wasting away we go after it and take some of that priceless element which is the thing it needs to recover.

Q. I was merely suggesting that the profits tax on corporations would have to be made a 10% tax if it were to yield enough to make up for the elimination of the tax on capital?

A. If I can earn a dollar and if I must give 10 cents away I shall still be glad to have 90 cents, but if I suffer a loss of a dollar and then you come along and take an additional 10 cents away from me, I am a pretty poor creature.

Q. But is there not also the suggestion made that even when you make a dollar and pay two and a half cents in Quebec, the Ontario man makes a dollar and only pays one cent?

A. Perfectly true. That is why we have pleaded in the early part of our submission for the centralization in the Federal Government of all corporation taxes in the interest of Canada and Canadian business and Canadian citizens.

Q. I just wish to put that very question to you. Is it not something which hinders the development of healthy trade?

A. Yes, most definitely.

Q. So that that in itself would not do; there would have to be something more radical than eliminating the corporation tax and putting it onto a profit tax?

A. Yes.

Q. Then in the figures that are given on page 37, Mr. Lobley, the per capita levy in Montreal is \$41.61, - in paragraph A "The per capita tax levy of Montreal is \$41.61 as compared with \$55.67 in Toronto, \$ 30.07 in Winnipeg, and \$44.70 in Vancouver." Does that include the sales tax and the income tax? A. No.

Q. Then in one of the last statements you made there was a reference to extravagance in municipal administration. I am not going to disagree with the use of the word, but I take it from the brief the general feeling now is that the uncontrollable items are such that there cannot be very much reduction in taxation? A. Yes, that is the way we feel, Sir.

Q. There may have been extravagance in the past, but at the present time there is not very much room for extravagance?

A. No. And of course we must have a sympathetic recognition of the unemployment problem.

Q. What we have to do is so arrange it as to check up the errors and faults of the past? A. We must. We cannot default.

Q. And the room for any serious lightening of municipal burdens at the present time is very narrow? A. Yes.

THE ACTING CHAIRMAN: This brief will be filed as Exhibit 342. The Commission thanks you for this very interesting submission and also for its very clear presentation.

EXHIBIT NO. 342. Brief of the
Montreal Board of
Trade

M. MORIN: M. le président: la Chambre de Commerce de Montréal a été très heureuse lorsqu'elle a appris votre nomination sur cette importante commission; elle était très heureuse de constater qu'un homme de votre éminence de notre province soit appelé à siéger avec les éminents collègues qui vous entourent et à qui on a confié un travail de l'importance de celui que vous avez à remplir.

Je désire également souligner à l'attention du public les remarques que vous avez faites au sujet de votre président, L'honorable Newton W. Rowell que j'ai eu l'avantage de connaître, et de dire à quel point nous sympathisons avec sa famille et dans quel estime nous considérons les hautes qualités qui le qualifient à remplir avec dignité les fonctions que le gouvernement vous a assignées.

Then in courtesy to the English members of this important body I will take it upon myself to give you the memorandum of the Chamber of Commerce of Montreal in the English language.

"This memorandum to be presented to the Rowell Commission, by the Chambre de commerce of the district of Montreal, was jointly prepared by the committee on financial and fiscal questions, under Mr. Henry Laureys acting as chairman. The report begins with an explanatory preamble which contains a brief survey of financial conditions in the Dominion, in the provinces and in the City of Montreal. The survey is followed by a documentary study which includes four groups of statistical tables accompanied by graphs.

The commentaries and recommendations which complete the analysis represent the opinions held by the businessmen of Montreal who are members of the Chambre de commerce. They approved the report

"through their board of direction.

The statistical data reprinted on the following pages will stress the enormous increase in the cost of public administration in Canada."

Of course, you will find this data in the printed French version of our memorandum. It has not been translated into English but I believe it is easy to understand because it is merely figures.

"In the federal field, three main factors contributed in different degrees and at different times to increase expenditure. First came Canada's military participation in the European war, then the accumulated deficits of our nationalized railway system, and lately, unemployment relief, the high cost of which was carried jointly, as everyone knows, by the federal, provincial and municipal governments. While our governments had to meet the additional charges due to these emergency measures, our ordinary revenue as a consequence of the economic crisis suffered a considerable decrease.

The same lack of financial equilibrium is apparent with the provinces and municipalities for the most part on account of a multiplication of social services the establishment and operation of which led them further and further into debt; their budgets having already become inadequate since the depression.

In the last analysis, the taxpayer must shoulder the burden of government. However, the paying power of the community is not indefinitely elastic, after all. Even if you decide to leave the future generations the repayment of loans made in the last

"twenty years, we must eventually meet the day of reckoning. If measures tending to the progressive amortization of the debt are not taken at once, it must be expected that some of the governments of the country will be unable to meet their obligations in the near future, which would be a highly regrettable situation. Nearly all of the public bonds which matured during the last decade were paid out of new loans.

Moreover, taxes can hardly be further increased unless it is intended to revise the present modes of taxation in order to assess the individual contributions in a fairer manner. Some of the taxes which burden ordinary income also impair capital."

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"Any kind of legislation which tends to discourage capital or repress initiative is bound to delay business recovery and must therefore, even if indirectly, injure governments. To improve this complex situation, our only recourse is an overhauling of fiscal policies accomplished with the help of public services and private institutions. At all events, it seems essential that all groups interested in the welfare of the country must agree for the purpose of promoting uniform legislation, suppressing duplication in the collection of taxes, and ultimately, coming to a general revision of taxation.

In order to support these considerations, the Chambre de commerce in the district of Montreal suggests a certain number of recommendations based on the figures and graphs included with the present memorandum."

The first graph which appears in the French version assumes that the earning power of our country would be fixed at 100 in 1926 and that the Federal taxes would be on the same line. If we did so, just to illustrate the enormous amount of taxation in Canada, the result would show that in 1919 the earning capacity was at 100 per cent, the annual income of all Canadians was at 100 per cent, while the taxes were at 55%. They would meet at 100 per cent in 1926 and in 1936 you would find the taxes exceeding the national income considerably. We know very well that it is not the case, but it is merely an illustration to show the considerable increase in our federal taxes in relation to the national income of Canada.

We have certain statements on the federal finances with graphs; the funded debt from the years 1917 to 1937 of Canada, of the province of Quebec and of the city of Montreal, the percentage of increase in the public debt since 1917. It shows that the federal debt increased 200% from 1917, the Quebec debt increased by 245% and the city of Montreal debt increased by 144%.

You have the figures on the following statement on page 9, the percentage of the increase of public revenue and the ratio of interest to the national debt on page 10. Then follows in group II an analysis of the federal income, millions of dollars, and a short resume of the public expenditures. Then a statement of the revenue derived from war taxes, on page 15. Then a statement of the public debt of Canada which being at the rate of \$109 per capita in 1917 is now \$271. The cost of interest, the cost of the debt in Canada, which was \$4.44 per capita in 1917 is now \$12.20, and the average rate of interest paid on the funded debt from year to year, 1917 to 1936.

Then you have a number of graphs showing the different side of the taxation. Then you have a statement of provincial finances.

THE ACTING CHAIRMAN: On what page?

MR. MORIN: Page 21. The different provinces, the source of the income, gasoline tax, corporation tax, a state tax and so forth. An analysis of the ordinary income of the provinces, the Maritime provinces being put together and the Prairie provinces together, and it shows there on page 22 that the prairie provinces received in Federal subsidy over \$9,000,000, whilst the province of Quebec received in 1934 only \$2,683,000, and the province

of Ontario a little over \$3,000,000.

Now, you have the provincial expenditures, the rate of expenditure, the increase per capita. The cost of legislation in the different provinces on page 24. I pass on these very quickly. The allotment of expenditures of the provinces in 1934 by head of population. A division of the expenditures by provinces. And the cost of administration, Division of expenditures in relation to the maintenance and construction of roads. And then the expenditures in relation to the administration of justice. Then a statement of the amount spent for education in the different provinces.

Then we come to group 4 which covers the figures of the city of Montreal, showing that the total debt which was \$100,000,000 in 1917 is now \$278,000,000. This is the gross debt, the net debt being \$239,000,000.

Now, we have a short resume of the total revenue, real estate tax, water rates, business tax, interest and other sources and so forth. Then a statement of the municipal valuation and exemptions of Montreal, Toronto, Vancouver, Winnipeg, Hamilton, Quebec, Ottawa, Calgary and Edmonton, on page 32. The funded debt of the principal cities of Canada. And then an analysis of the income of the province of Quebec on page 34, divided by sections or regions, which shows that out of the total income of Quebec over 50% is collected from the city of Montreal and the surrounding region. Therefore the city of Montreal, which is already heavily burdened with municipal taxes has also to bear over 50% of the other administration costs.

"The above remarks prove the necessity of amending our fiscal structure while taking into account the changes which have taken place in our economic and social order, especially since the post-war period. It is obvious that governments will be called upon in the future to provide a larger share than in the past to the cost of numerous services designed to promote public welfare. On the other hand, our present sources of revenue have proved inadequate, and we must, first of all, find new methods of taxation and a fairer distribution of fiscal charges. Therefore, the Chambre de commerce of the district of Montreal respectfully submits the following recommendations:

1. While admitting that extraordinary expenditures due to abnormal circumstances are justified, the Chambre de commerce of the district of Montreal believes that public authorities should unite to realize the maximum of economies compatible with sane administration. Notwithstanding the gains made in that direction, it would seem possible further to reduce expenditures by restricting duplication of public services, provided this can be done without unduly limiting provincial powers and affecting Quebec autonomy.

2. The Special War Revenue Act imposes upon all corporations and stock companies a tax of 15 per cent of their annual profits. The same taxation is levied on private hydro-electric services, while in other provinces the same services by publicly owned corporations are tax-

free, which permits them to sell electricity at reduced rates. It seems unjust"

And I wish to draw your attention to this -

..."to submit the taxpayers of one province to heavy taxation which the inhabitants of another escape through public ownership".

This is a matter reference to which has been made by the representative of the Board of Trade.

THE ACTING CHAIRMAN: The representation was made to us in many provinces that it was unjust and unfair.

MR. MOREN: I hope it will have some effect.

"We have here an anomaly which must be remedied; to that end, the Chambre de Commerce of Montreal recommends that income tax affecting Hydro- electric services should be collected by the provincial governments themselves, or if they continue to be collected by the federal authorities, such taxes should ultimately be returned to the provincial governments as a means of increasing their consolidated revenue.

3. The diversity of provincial regulations regarding labour helps to destabilize the labour market, meanwhile favoring unjust competition among different parts of the country. Such a situation retards the progress of industry and trade. The general interest of the country would be better served if interprovincial agreements brought about uniform legislation on apprenticeship, wages and hours of labour."

COMMISSIONER MATHÉLY: Do you think that is preferable to federal jurisdiction?

MR.MORIN: We are very sensitive on matters of autonomy in the province of Quebec. You must realize there are special reasons why this should be so in the province of Quebec on account of its difference in religion and race.

COMMISSIONER MacKAY: Do you think it would be possible for Quebec and the other provinces to make agreements of that sort, in view of that difficulty? I am not expressing an opinion one way or another, I am just raising the question?

MR.MORIN: Well, it should at least be tried and if it is impossible to come to some understanding, which would add so much to the general welfare of the country to have some agreement, then they might all agree to transfer jurisdiction on these matters to the Dominion Government. But we are very jealous of our provincial autonomy and we would not like to sacrifice it before we had made an effort to come to some understanding.

COMMISSIONER MacKAY: Thank you.

MR. MORIN: "Permanent unemployment becomes a problem of nation-wide importance. The federal government recognized that principle through the enactment of emergency decrees meant to cope temporarily with the social unrest caused by this unemployment. However, the present unemployment relief administration has proved inefficient and unfair, for it did not take into account the particular needs of those under relief, for the living standards vary considerably in different parts of the country. It follows therefore that the administration of relief by federal authorities is more expensive and more difficult, as the

American experience tends to prove. Consequently, the Chambre de commerce of Montreal, considering that decentralization will be more efficient and less expensive, urges the federal government to leave with the provinces the entire responsibility of unemployment relief. However, as the administration of such services demands large amounts of money, we urge the federal authorities to give up to the provinces certain sources of taxation which should provide the necessary resources to meet such costs.

5. The governments of the country owe it to themselves to honour their financial obligations, so as to safeguard the reputation and credit of the country, and the Chambre de commerce of Montreal is therefore opposed to any policy of repudiation of debts.

6. As recognized by the federal pact, all school questions are under the exclusive jurisdiction of provincial authorities. The Chambre de commerce of Montreal recommends that the status quo be respected. However, if the federal government thinks it proper to help the provinces in the development of professional training, we shall claim a fair share of such subsidies.

7. Two reasons have contributed to increase the burden of governments in recent years; The decrease in revenue due to the decrease in business, and the increase of expenditure due to new social demands. Moreover, the servicing of

previous indebtedness absorbs an abnormal amount of our annual income, so that our present budgets forcibly become inadequate. Therefore, if it is admitted that economic recovery can only come through balanced budgets it is essential to adjust our expenditure to our income. In consequence, the Chambre de Commerce of Montreal thinks it has a right to advocate more rigid economy in the administration of public funds, as well as more restraint in expenditure."

COMMISSIONER ANGUS: What is a reducible expenditure in this country?

MR. MORIN: "Restraint in expenditure".

COMMISSIONER ANGUS: Yes. What is an example of a reducible expenditure?

MR. MORIN: Well, I may tell you frankly, there are economies to be made in public works. There are economies to be made in the administration of certain social services. There are probably economies to be made in the Civil Service of Canada. We have over 60,000 civil service employees. They are a heavy burden on the taxpayers. And perhaps it may be necessary to reduce certain services temporarily until we are better off, particularly certain social services, not embark upon new legislation.

You know, the great fault with us is we want to improve the standard of living of all of us, the general standard of living, but we must wait to do it until we can afford to do it. Sometimes when we are inclined to ask for additional social services we should look at what is going on in the other countries and then we would

realize we are getting in Canada a great deal more than is given to the citizens of any other nation except perhaps the citizens of the United States.

8. "Companies which do business throughout the country are subject to business taxes in each province. Such taxation is iniquitous inasmuch as it is imposed regardless of the amount of business done in the province. The tax in each province should be based on the volume of local operations, not on the amount of capital.

9. The annual report submitted by companies to the federal government for taxation purposes should serve as basis for provincial and municipal taxation. The Dominion Government, after agreements with local administrations, might collect such taxes, later surrendering their share to the interested authorities, or sending a copy of the report. Time and labour would thereby be saved.

10. We claim that income tax returns should not be re-investigated after three years, except in case of fraud. Such procedure would save interested parties highly onerous costs."

I might perhaps say the same thing about succession duties also.

"Furthermore, it would be fairer, in the case of corporations, to base income taxation on the average income of the previous five years," in the case of corporations or companies, instead of a yearly income which will vary considerably from year to year.

"In conclusion, the Chambre de commerce of the district of Montreal respectfully takes the liberty of urging the proper authorities to use every means in their power to rescue Canada from the depression.

To that end we beg to submit:

1. that the purchasing power of the masses must be increased if we wish to bring about lasting recovery;
2. that such purchasing power depends on production and that production, therefore, must not be impaired by over-taxation;
3. that economic recovery in Canada is only possible through increase of exports, as our local market is too limited to absorb our agricultural and certain of our industrial production.
4. that it is essential to promote more diversification of crops and the establishment of new industries which will utilize the resources of the country;
5. that, for that reason, it should be advantageous to encourage the importation of foreign capital;
6. that the government should interfere in business as little as possible -- except to repress abuses -- and that it should limit such interference to measures liable to accelerate trade and to increase foreign markets;
7. that bilateral trade treaties should be

negotiated with as many countries as possible; that the number of official representatives (ministers, consuls, or trade commissioners) should be considerably increased; that the federal services in charge of such functions should be reorganized and their subsidies increased to enable them to work with full efficiency.

8. that a 'federal council of economic guidance' similar to the Economic Advisory Council of Great Britain should be created and entrusted with the task of advising the government on all questions likely to bring about the economic recovery of the country and promote its future progress;
9. that it would be extremely useful to create a 'Commission of Transport Coordination' entrusted with the power of regulating of our different means of transportation -- by rail, highroads, inland shipping and commercial aviation -- in order to obtain maximum returns therefrom;
10. that measures should be taken to balance all budgets, - federal, provincial and municipal; to reduce expenditure everywhere without endangering the efficiency of service, and, if necessary, to find for the government new sources of income, taking great care, however, not to discourage or frighten the capital our country needs so badly, and without which economic progress would be impossible."

This is, Mr. President and gentlemen, the submission which the Chamber of Commerce has asked me to present before

your body.

THE ACTING CHAIRMAN: That section 10 is a pretty big order.

MR. MORIN: The last one?

THE ACTING CHAIRMAN: Yes.

MR. MORIN: Well, we have so much faith in your body that we believe we can afford to do it.

THE ACTING CHAIRMAN: Would you mind giving us some information on the chamber of commerce? When it was founded and the membership. We always put that on the record.

MR. MORIN: It has approximately fifteen hundred members composed mainly of business men and a few professional men, but in the main manufacturers and traders.

THE ACTING CHAIRMAN: From the city of Montreal?

MR. MORIN: From the City of Montreal.

THE ACTING CHAIRMAN: When was it founded?

MR. MORIN: It celebrated its fiftieth anniversary last fall. It was founded in 1887.

COMMISSIONER DAFOE: I am looking at paragraph four on page four, where you say that the administration of relief by the federal authorities is more expensive and more difficult, that has reference to the possibility of the Dominion taking over relief, it does not apply to what has been done in the last four or five years, does it?

MR. MORIN: Well, it does apply. We have statistics showing that the relief which was administered under federal legislation--it was only the work of granting the relief and distributing the funds which was allotted to the municipality. The provincial government had to follow the law which had been enacted by the federal government. We found that the share per capita of the relief money spent was considerably smaller in Quebec than it was in all the other provinces. Therefore, we are interested in tending to these services ourselves, because we can do it more cheaply, we believe.

COMMISSIONER DAFOE: I do not think the Dominion had anything to do with the per capita cost of relief or the standard of relief. I think those were fixed by the provincial government. The Dominion contributed a certain percentage, but I am not aware that the Dominion either fixed standards or the amount per capita of distribution.

MR. MORIN: I think your statement is correct, Mr. Dafoe.

COMMISSIONER DAFOE: How do you charge the deficiency on that basis?

MR. MORIN: We are managing to satisfy the unemployed to give them relief at lower cost than has been done in the other provinces.

COMMISSIONER DAFOE: That is a reflection on the provincial government, not on the Dominion. The present theory is that the municipalities fix the standard for relief, but not the province. However, the province found it necessary to fix the standard of relief in order that the municipality might be freed from local pressure. Would it not be possible in a Dominion administration of relief to have regional rates of relief based upon the local living costs? Would it be beyond possibility for a federal administration to do that?

MR. MORIN: But then, it would provoke dissatisfaction if the federal service gave less to Quebec people. The Quebec people will be asking to be put on the same level as the people in the other provinces, to receive the same allowance. These people would not consider it fair if they received less than the others, although they might be satisfied with less under a provincially administered scheme.

COMMISSIONER DAFOE: You would have to have some definable formula. We have a means now and they could, I think, be very greatly improved, to determine the cost of living. The amount of relief could be varied in keeping with the costs of living, without any justified criticism arising. Would you not think that was so? I am not advocating Dominion relief, you understand, but we have had this suggestion of relief put up to us at various places. We have had discussions as to the administration of relief and we have had people say it should be administered by the municipalities. We have had, at least, five people identified with municipalities who have come before this Commission and said that they could not administer it economically because of the local pressure. In your opinion, it should be a Dominion function,

should it?

MR. MORIN: In Quebec, we speak from our own point of view, that we could administer relief at a lower cost in a satisfactory manner. We contribute to the federal treasury and the federal treasury makes greater expenditures for relief in the other provinces than it does in our own province. It may be a selfish way to look at things, but we believe we can administer it at lower cost.

COMMISSIONER DAFOE: Where you have less than a Dominion unit there is the problem of transients, people moving from one province to another. We encountered that in British Columbia particularly. How would you deal with that if relief was a matter for provincial administration? A man is a citizen of Canada; he goes from province A to province B. Province B says, "You have no business here." However, he is a citizen of Canada, has he not the right to say that there must be some organization which will look after me or am I to be chained to my own province?

MR. MORIN: There are many considerations in the situation, we will admit. This is not a matter which has arisen in our province to any appreciable extent. We have not given it much thought because we do not have to face it. We understand that the other provinces may have to face such a situation.

COMMISSIONER DAFOE: Does this suggestion mean, that in the opinion of the Chamber we are going to have unemployment relief hereafter in permanency?

MR. MORIN: I beg your pardon, sir.

COMMISSIONER DAFOE: Does this statement suggest that in the opinion of the Chamber unemployment relief is here in permanency?

MR. MORIN: We are afraid so, at least, it appears to be so. Nothing has been done towards putting an end to it and we are beginning to lose hope of having it cured.

COMMISSIONER MacKAY: You do not discuss unemployment insurance, Mr. Morin?

MR. MORIN: No, we have not discussed it.

COMMISSIONER MacKAY: It is a problem, and I was wondering if the Chamber had discussed the matter or if it had any views upon it?

MR. MORIN: We have not discussed it very much, yet. We realize that it is a problem which we have to face and that the federal government has already made plans which, so far, have not materialized. On the other hand, we believe that this unemployment insurance should only be started when we have again returned to normal conditions and that our first duty is to get rid of unemployment. Then, we could start unemployment insurance and have it ready to meet unemployment should it arise again. The burden of taking care of the present unemployed would be a tremendous burden on unemployment insurance and would make it difficult to start. However, the matter has not been discussed at our meetings.

COMMISSIONER ANGUS: At paragraph three on page four you state that there is unjust competition between the provinces arising from a diversity of provincial regulations regarding labour, minimum wages, and so on. This cuts to the very heart of the problem which this Commission is considering, how one can have legitimate provincial autonomy and at the same time what you call uniformity of legislation which might prevent unjust competition. Now, would you not say that the reactions regarding labour extend to social legislation? A province

which has, shall we say, advanced social legislation, will it feel that the competition of another province is unfair?

MR. MORIN: No doubt they should both be placed on the same footing, if possible .

COMMISSIONER ANGUS: For instance, health insurance; supposing a province set up a scheme of health insurance. The argument against it always is, that will cost the manufacturers something and the competition of another province which has not set up health insurance will be disastrous. If one carried out your suggestion of reducing some social services, if one provinces reduces them, the other province would say that that is unfair competition would it not? Now, has the Chamber considered whether interprovincial consultation which you suggest is going solve any of these matters?

MR. MORIN: Yes, we did, but we tried to conceal our desire for the preservation of our rights. We admit that the situation which you have outlined is a difficult situation. We feel that we should try to have a uniform Canadian system, but if this is not possible, we should, however, try to reach an understanding.

COMMISSIONER ANGUS: Did you consider at all what social services could be reduced? Did you think, of social services, for instance as including education?

MR. MORIN: No, education would be considered in altogether another line.

COMMISSIONER ANGUS: You were thinking more of old age pensions or Mothers' Allowances, were you?

MR. MORIN: Yes, and pensions for the blind.

THE ACTING CHAIRMAN: Have you any questions to ask,

Mr. St. Laurent?

MR. ST. LAURENT: Only two or three questions,
Mr. Chairman.

BY MR. ST. LAURENT of MR. MORIN

Q. Mr. Morin, you heard the statements which were made during the presentation of the brief by the Montreal Board of Trade, did you not? A. I heard part of it.

Q. One of their suggestions was that one of the essentials for an equitable tax system is that that system be based upon ability to pay. Ability to pay varies with the source of income. I assume that we could agree that ability to pay is one of the things which must be taken into account.

MR. MORIN: I would call that a "Verite de La Palice".

Q. Would you agree that the amount expended by a community on non essentials might be an indication of ability to pay taxes? A. That is a question which may bring us very far.

Q. In a general way would it be some indication of ability to pay taxes? A. I should think that those who allow themselves a higher standard of living and spend more money on their own welfare should be in a position to contribute a larger amount towards the federal or provincial treasury.

Q. I was interested in what proportion was contributed by the Montreal region as compared with the other regions. Looking at page 34 of the printed text, I find that the amount of taxation derived from the Liquor Commission in Montreal for the year 1932-33 was \$2,820,000, and for the rest of the province it amounted to \$1,180,000. Would that not be some indication that Montreal is a good place to collect taxes? A. Montreal has a large

number of tourists.

Q. But if these tourists contribute, is not that a good way of getting the money required for the public purse?

A. There are many things which may be considered luxuries in Quebec which would not be luxuries in Montreal.

Q. I hope that in Quebec most of the commodities of the Quebec Liquor Commission are still looked upon as rather moderate luxuries. At the end of paragraph four, page four, there is a statement that:

"--as the administration of such services demands large amounts of money, we urge the federal authorities to give up to the provinces certain sources of taxation which should provide the necessary resources to meet such costs."

Would you care to be any more specific about that and indicate what source of taxation your Chamber has in mind which might be given up by the federal authorities to the provincial authorities? A. This is to provide for unemployment relief.

Q. I am not concerned with the policy at all, I was just wondering whether you would care to be more specific as to the sources of taxation which might be given up by the federal authorities to the provincial authorities?

A. In the British North America Act, the power of the provinces to tax is limited to direct taxation, whereas the federal government has the power to impose all types of taxes. We are inclined to think that as much as possible, direct taxation should be left to the provinces in accordance with the constitution. When the government imposes income taxes, it is imposing a direct tax and encroaching upon provincial taxing powers.

Q. So that what the Chamber really had in mind was the income tax, either in whole or in part, was it?

A. To some extent.

Q. On the same page, in paragraph three, the end of the paragraph, there is the suggestion that the general interests of the country would be better served if inter-provincial agreements brought about uniform legislation on apprenticeship, wages and hours of labour. You are aware that there has been, for instance, a conference of Insurance Commissioners functioning for a great many years? A. Yes, I am.

Q. And that it has done quite a lot towards bringing about uniformity of legislation and practice in insurance matters, but that it has not, during these years, been able to achieve uniformity? A. Unfortunately, that is correct.

Q. Do you not feel that dealing with problems concerning the regulations of apprenticeship, wages and hours, may be even more difficult in attempting to achieve common ground? A. Yes, but from year to year we are learning from the lessons of the past. What we have not succeeded in doing during these past years, may become an easy matter if people really wish to come to an understanding.

Q. Then, after many years of trying, we can still be optimistic, can we? A. Yes, I think we can.

THE ACTING CHAIRMAN: This brief will be filed as exhibit number 543.

MR. ST. LAURENT: The French text ought to be filed as well, as it is the one which contains the statistical information.

EXHIBIT NO. 343: English and French
versions of brief
of the Montreal
District Chamber of
Commerce.

THE ACTING CHAIRMAN: I must thank you, Mr. Morin,
for the very valuable contribution which you have given
to us.

MR. MORIN: You are very generous, sir.

THE ACTING CHAIRMAN: We will adjourn until to-
morrow morning at ten-thirty.

(The commission adjourned at 4.30 p.m.,
Thursday, May 12, 1938 to open at
10.30 a.m. Friday May 13, 1938.)

ROYAL COMMISSION ON DOMINION-PROVINCIAL RELATIONS

REPORT OF HEARINGS

REPORTERS:

George Thompson
John Robertson
David Torry

FRENCH REPORTERS:

H. P. Hould
F. Ouellet



QUEBEC, Quebec, MAY 13, 1938

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ROYAL COMMISSION ON DOMINION-PROVINCIAL RELATIONS

QUEBEC, Quebec, MAY 13, 1938

The Royal Commission appointed to re-examine the economic and financial basis of Confederation and the distribution of legislative powers in the light of the economic and social developments of the last seventy years, met at the Palais De Justice, Quebec City, Quebec, on Friday, May 13, 1938, at 10.30 a.m.

PRESENT:

COMMISSIONER SIROIS....THE ACTING CHAIRMAN

JOHN W. DAFOE, Esq.)	
DR. ROBERT ALEXANDER MacKAY	)	Commissioners
PROFESSOR HENRY FORBES ANGUS)	

Commission Counsel:

Louis S. St. Laurent, K. C.

Secretariat:

Alex. Skelton, Esq.	Secretary
Adjutor Savard, Esq.	Secrétaire Français
R. M. Fowler, Esq.	Legal Secretary to The Chairman
Wilfrid Eggleston, Esq.	Assistant to the Secretary

FOR THE GOVERNMENT OF QUEBEC:

J. E. Beaulieu, Esq. K. C.	Counsel
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FOR LA SOCIÉTÉ ST. JEAN BAPTISTE DE MONTREAL:

H. Lalonde, Esq.	Representative
M. Bastien, Esq.	Representative

FOR THE LEAGUE OF RIGHTS FOR WOMEN:

Mme. Pierre F. Casgrain	President
Miss Elizabeth Monk	Representative
Mrs. Leslie Hodges	Treasurer

FOR THE LEAGUE OF PROPERTY OWNERS OF MONTREAL:

Emile Sauvé, Esq.	Representative
Paul Dansereau, Esq.	Representative

FOR THE PROVINCIAL ASSOCIATION OF PROTESTANT TEACHERS
OF QUEBEC

Miss Catherine MacKenzie	President
Mr. Fred. N. Stephen,	Chairman of the Special Committee

Palais de Justice,
 Québec, Qué.
 le 13 mai, 1938.

SEANCE DE L'AVANT-MIDI

La Commission se réunit à 10.30 a.m.

LE PRESIDENT INTERIMAIRE: Vous êtes prêt à procéder,
 Monsieur Lalonde ?

MEMOIRE DE

LA SOCIETE ST. JEAN BAPTISTE DE MONTREAL,
 présenté par Monsieur H. Lalonde;

M. LALONDE: Messieurs les Commissaires , Messieurs ;
 je crois qu'il sied que nous ajoutions au nom de la Société
 nationale des Canadiens-Français que j'ai l'immense
 honneur de représenter ce matin, un mot de vœux que nous
 formulons pour le rétablissement complet du Président , M.
 Rowell, et aussi un mot d'appréciation pour cet esprit de
 civisme qui vous a déterminés, Messieurs les Commissaires,
 à accepter, en plus de vos charges déjà frès lourdes, cette
 nouvelle tâche dans le but du bien de la communauté.

Sur ce, l'aspect que nous voulons vous présenter ce
 matin est le suivant :

LE CANADA, PAYS ANGLO-FRANCAIS

ETUDE CONSTITUTIONNELLE

"De fait, et de droit, le Canada est un pays mixte;
 deux races, deux cultures, deux civilisations le
 constituent. Cette dualité commence à la fin du
 régime français, évolue durant un peu plus d'un
 siècle pour s'épanouir à la vie d'association dans
 le pacte de la Confédération.

Tenant compte des réalités historiques
 et politiques, à la lumière des textes de loi, nous
 voulons retracer la constance de ce phénomène de la
 double personnalité canadienne génératrice d'égalité

double personnalité canadienne génératrice d'égalité nationale.

D'abord , le FAIT HISTORIQUE

Découvert par Jacques Cartier, en 1534, ce pays fut français jusqu'en 1760. Lorsque par le Traité de Paris de 1763, le Canada devint une colonie de la Couronne britannique, il vivait ici une population française de 65,000 habitants. Cette population possédait une organisation sociale et politique complète: un culte, la religion catholique romaine, une langue, la langue française, des institutions juridiques, le droit français en grande partie basé sur la Coutume de Paris, des traditions et une culture héritées de la France.

A compter de 1763, l'élément anglais vient se joindre à ce peuple français. Le Canada, devenu anglais de par son allégeance à la Couronne d'Angleterre, est de fait, de par sa population, un pays franco-anglais. Les nouveaux souverains ont apporté une autre religion, la religion protestante, une autre langue, la langue anglaise, un droit, des traditions qui leur sont propres, et une culture différente. Désormais, le Canada bénéficiera de deux civilisations qui se sont juxtaposées. Les deux coexisteront: aucune ne s'effacera jamais. Cette dualité même, à l'origine de notre histoire, consacrée par les textes, constituera la caractéristique vraiment particulière de notre pays.

Ce fait est CONSACRE PAR LES TEXTES.

D'abord,

a) LES CAPITULATIONS DE QUEBEC ET DE MONTREAL

Les Capitulations de Québec et de Montréal contiennent l'expression du désir des

contiennent l'expression du désir des "Nouveaux Sujets du Roy d'Angleterre" de conserver leurs "privilèges", ce qui leur fut accordé, et "de continuer d'être gouvernés suivant la Coutume de Paris et les lois et usages établis pour ce pays", ce qui ne leur fut ni accordé ni refusé par le général Amherst. Toutefois, nous croyons que la réponse à cette demande formulée ainsi: "ils deviennent sujets du Roy", en droit international, et particulièrement en droit coutumier d'Angleterre, était un assentiment, jusqu'à révocation. Or aucune de ces Capitulations ne subit d'abrogation par la suite. Nous nous permettons de citer quelques opinions de juristes anglais au soutien de notre prétention.

MM. William de Grey, solliciteur général, et Yorke, procureur général, écrivaient en avril 1766:

"Il n'y a pas une maxime de droit coutumier plus certaine que celle qui déclare: qu'un peuple conquis conserve ses anciennes coutumes jusqu'à ce que le conquérant introduise de nouvelles lois. On ne peut entreprendre de changer subitement les coutumes établies dans un pays sans avoir recours à l'oppression et à la violence; c'est pourquoi les conquérants sages, après s'être assurés de la possession de leur conquête, agissent avec douceur et permettent à leurs sujets conquis de conserver TOUTES LEURS COUTUMES LOCALES, inoffensives de leur nature, et qui ont été établies comme REGLES A L'EGARD DE LA PROPRIETE OU QUI ONT OBTENU FORCE DE LOIS. - IL EST ESSENTIEL D'EN AGIR AINSI A L'EGARD DU CANADA, parce que c'est une ancienne et grande colonie, depuis longtemps peuplée et ~

"cultivée surtout par des sujets français qui s'y
 "trouvent aujourd'hui au nombre de quatre-vingt à
 "cent mille."

(Archives Canadiennes. Documents concernant l'histoire constitutionnelle du Canada, 1759-1791. - p. 150. - Publiées par MM. Shortt et Doughty).

Je voudrais faire remarquer, quant aux références, Monsieur le Secrétaire me fait remarquer qu'il a constaté quelques erreurs dans les références citées au mémoire. Nous vous ferons parvenir une note à cet effet là, que je vérifierai, parce que ces références ont été prises à bonnes sources, et je vous donnerai les références exactes toutes les fois qu'il y a erreur. Et je m'excuse de cette faiblesse dans la présentation de notre mémoire.

LE PRESIDENT INTERIMAIRE: L'erreur est dans le texte français?

M. LALONDE: probablement.

"Le juge en chef Lord Mansfield:

"Les lois d'un pays conquis restent en vigueur

"jusqu'à ce qu'elles soient modifiées par le vain-
 "queur." (Même référence, p. 347).

Lord Coke:

"Si un roi s'empare d'une contrée par la conquête,

"il peut à son gré en modifier ou en changer les

"lois, mais jusqu'à ce qu'il ait opéré un tel chan-
 "gement, les anciennes lois de cette contrée res-
 "tent en vigueur." (Même référence, p. 349).

Les deux premiers privilèges dont peuvent jouir des habitants d'un pays sont bien: de pouvoir pratiquer la religion de leur choix, et de parler et de transmettre à leurs enfants leur idiome national. Le mot privilège employé dans la Capitula-

tion de Québec comprenait, à n'en pas douter, la foi catholique et la langue française.

Donc, dès le début du nouveau régime, les Actes publiaient déjà une première distinction de races.

b) Le Traité de Paris de 1763

Le Traité de Paris de 1763 accorde aux habitants du Canada la liberté de la religion catholique, en tant que le permettaient les lois de la Grande-Bretagne. Nous savons que cette dernière restriction a paru d'une machiavélique malice. Cependant, ne peut-on pas déduire de cet article du traité de Paris, que le vainqueur reconnaissait officiellement la différence de religion de ses nouveaux sujets. De plus, ne peut-on pas dire qu'il avait l'intention de respecter cette caractéristique religieuse des Canadiens? Permettez que je vous cite l'opinion de juristes sur ce point:

Norton, procureur général, et de Grey, solliciteur général, écrivent le 10 juin 1765:

"Les sujets catholiques romains qui résident dans les contrées cédées à Sa Majesté en Amérique par le Traité définitif de Paris, ne sont pas sujets dans ces colonies aux incapacités, aux inhabilités et aux pénalités auxquelles les catholiques romains sont assujettis dans ce royaume par les lois sanctionnées à cette fin." (Même référence, p. 144).

c) La proclamation royale du 7 octobre 1763

Sans doute faut-il signaler la maladresse du 7 octobre 1763. La fameuse proclamation royale qui substituait toutes les lois du conquérant aux lois et coutumes établies au Canada avant la conquête.

Mais cette mesure n'eut qu'une existence passagère. Des hommes d'Etat éclairés comme Sir Guy Carleton, des juristes éminents comme l'avocat général Marriott ont vigoureusement désapprouvé cette proclamation. De même en est-il du solliciteur général Wedderburn et du Juge en chef du Canada William Smith. Parce qu'ils ont guidé le gouvernement anglais qui a par la suite abrogé cette proclamation, nous nous permettons de citer ces témoignages importants:

Sir Guy Carleton, le 25 novembre 1767 disait:

"Je dois croire que les DROITS NATURELS DES
"CITOYENS, les intérêts de la Grande-Bretagne sur
"ce continent et le maintien de la domination du
"roi sur cette province, doivent toujours être les
"principaux objets à considérer lorsqu'il s'agit
"d'élaborer une constitution civile et un système
"de lois pour cette province." (Même référence p.
"171).

De l'avis de ce représentant du gouvernement anglais, cette proclamation royale de 1763 qui supprimait les lois civiles françaises allait donc à l'encontre des DROITS NATURELS des Canadiens de langue française.

L'avocat général Marriott, dans son rapport au gouvernement anglais:

"...Il semble que ceux qui ont rédigé
"cette proclamation n'aient pas considéré que le
"Canada est une province conquise, remplie d'Habi-
"tants et jouissant d'une organisation légale."
(Même référence p. 292).

Le solliciteur général Wedderburn, dans son rapport au gouvernement britannique sur les réformes à apporter au gouvernement civil de la colonie:

"Est-ce à dire qu'en vertu du droit de conquête, le conquérant peut imposer les lois qu'il lui plaira? Cette proposition a été maintenue par quelques avocats qui n'ont pas fait de distinction entre la force et le droit... et lorsque des sujets et non des esclaves sont devenus le fruit de la victoire, la conquête n'a plus signifié d'autre droit que celui de réglementer le gouvernement politique et civil du pays conquis en abandonnant aux habitants la jouissance de leur propriétés et de tous les privilèges qui ne sont pas incompatibles avec la sécurité de la conquête." (Même référence p. 273).

Le Juge en chef du Canada, William Smith, conseille au gouvernement britannique d'opérer "l'heureuse conciliation des lois anciennes et nouvelles".

"Il serait opportun, ajoute-t-il, de concilier les engagements de la Couronne envers les deux catégories de sujets et de répondre aux vues d'un gouvernement politique; et sans vouloir réaliser cette sorte d'uniformité de lois et de religion qui n'existe nulle part ailleurs qu'au sein de petites tribus sauvages, et qui ne se trouve pas même dans les Etats les plus despotiques, car une uniformité parfaite ne pourrait s'obtenir que par la disparition d'une partie des sujets, moyen qui finit par affaiblir ou anéantir le pouvoir souverain lui-même." (Même référence p. 297).

d) L'Acte de Québec de 1774

Puis vint l'acte que nous appelons l'Acte réparateur de 1774, l'Acte de Québec qui a donné à tous les sujets de Sa Majesté, dans la Province de Québec, le privilège de conserver la possession de leurs biens avec LES COUTUMES ET USAGES QUI S'Y RATTACHENT ET DE TOUS LEURS AUTRES DROITS CIVILS, AU MEME DEGRE ET DE LA MEME MANIERE QUE SI LADITE PROCLAMATION ET LES COMMISSIONS, ORDONNANCES, ET AUTRES ACTES, ET INSTRUMENTS N'AVAIENT PAS ETE FAITS.

La Proclamation de 1763 avait voulu abolir des lois; indirectement c'était constater l'existence de ces lois et signifier qu'elles étaient différentes des lois de la Grande-Bretagne. D'ailleurs, l'Acte de Québec, qui confirmait les concessions religieuses antérieures et rétablissait les droits civils d'avant la conquête contient le considérant suivant:

"...les habitants, à l'époque de la conquête, formaient une population de soixante-cinq mille personnes professant la religion de l'Eglise de Rome et jouissant d'une forme de constitution stable et d'un système de lois par lesquelles leurs personnes et leurs propriétés avaient été protégées, gouvernées et régies pendant de longues années, depuis le premier établissement de la province du Canada."

Les deux races se rapprochaient: l'une avait voulu survivre, l'autre y consentait: c'était un terrain d'entente.

A noter que cet Acte de Québec a été promulgué pour le territoire de la province de Québec

d'alors qui comprenait la province d'Ontario de maintenant. Ni la constitution de 1791, ni celles de 1841 ou de 1867 n'ont abrogé cet acte. Cela signifie que les Canadiens français vivant actuellement dans Québec ou dans Ontario jouissent des mêmes droits.

e) La Constitution de 1791

La Constitution de 1791 divisa la Colonie en deux provinces le Haut et le Bas-Canada. Dans les deux provinces, on observa la distinction des deux races: respect des droits religieux et civils des habitants français.

Les gouvernants britanniques, avant d'édicter cet Acte, exprimaient leur dessein, à ce sujet quand Lord Grenville du ministère des colonies, écrivait à Lord Dorchester, le 20 octobre 1789:

"En ce faisant (l'union) il faudra soigneusement tenir compte des préjugés et coutumes des habitants français qui forment une si considérable proportion de la population et veiller avec le même soin à leur conserver la jouissance des droits civils et religieux que leur garantissent les articles de capitulation de la province ou qu'ils doivent depuis à l'esprit libéral et éclairé du gouvernement britannique." (Même référence p. 635).

f) La Constitution de 1841

La Constitution de 1841 réunit les deux Canadas. On proscriit l'usage officiel du français. Mesure vexatoire pour une partie importante de la population du pays. Mais puisque l'on prend la peine

d'édicter une loi pour enlever des droits à une langue, c'est que cette langue était parlée, donc existait, et aussi qu'elle avait des droits reconnus. D'ailleurs, quand, par la suite, on révoqua la loi qui proscrivait l'usage officiel de la langue française, on la rétablit dans ses droits antérieurs. Même dans le Haut-Canada, le français avait des droits. Il en a encore. A ce sujet, il est intéressant de relire une lettre du docteur Ryerson, chef du département de l'Instruction publique du Haut-Canada, en date du 24 avril 1857:

"I have the honor to state in reply to
 "your letter of the 16th instant that as THE FRENCH
 "IS THE RECOGNIZED LANGUAGE OF THE COUNTRY, AS WELL
 "AS THE ENGLISH, it is quite proper and lawful for
 "the Trustees to allow both languages to be taught
 "in their schools to children whose parents may
 "desire them to learn both."

Et nous en arrivons à la deuxième partie de nos exposés juridiques:

La Confédération

LE FAIT POLITIQUE: UN CONFLIT DES DEUX RACES

Le régime de l'Union avait été une faille. Ni le Bas-Canada à qui on avait imposé l'Acte de 1841, ni le Haut-Canada qui avait voulu cette Union n'y trouvèrent satisfaction. Ce fut un système de gouvernement arbitraire et injuste. On prévoyait même représentation pour les deux Canadas alors que les populations étaient inégales. Durant des années, le Bas-Canada avait un excédent de population de 280,000 âmes, puis le Haut-Canada, avec l'apport d'une immigration constante, bénéficia

d'une supériorité numérique sur son associé. A ce moment, le plus fort demande le rappel de la clause de la constitution accordant à chacune des provinces l'égalité de représentation. L'autre refuse de concourir dans cette demande. Les deux races sont aux prises. Le parlement Impérial intervient en faveur du Haut-Canada, et le désarroi est complet. Des injures et des injustices envers un groupe: les deux Provinces et tout le pays en souffrent. Tout gouvernement est devenu impossible: les deux provinces, associées d'hier, sont en opposition irréductible, il faut une réforme politique. Georges-Etienne Cartier prend l'initiative des pourparlers. Le 30 juin 1864 on publie et le prorogation des chambres et la formation d'une sorte de ministère national.

Le formule de cette coalition était la suivante:

"Le gouvernement, est prêt à s'engager
 "à présenter, lors de la prochaine session, une
 "mesure pour résoudre les difficultés actuelles par
 "l'introduction du principe fédéral dans le système
 "du Canada, avec une clause qui permettra aux pro-
 "vinces maritimes et au territoire du Nord-Ouest
 "d'en faire partie.

"Le gouvernement, par l'envoi de délégués
 "en Angleterre, et dans les Provinces maritimes,
 "cherchera à s'assurer la coopération extérieure
 "qui sera nécessaire pour permettre à toute l'Amé-
 "rique du Nord de s'unir dans un même parlement gé-
 "néral constitué sur la base du principe fédéral."

C'est l'origine immédiate de la Confédération. "Les difficultés actuelles" reposent sur un conflit culturel. Deux Civilisations s'affrontent de nouveau: l'une anglaise et protestante, l'autre française et catholique, chacune jalouse de ses prérogatives, et désireuse de conserver son patrimoine spirituel.

D'où LES DELIBERATIONS

a) Les pourparlers du Kent-House

Au Kent-House de Québec, les chefs politiques des deux groupes ethniques délibèrent. Deux idées se précisent. D'une part, on veut une UNION LEGISLATIVE. D'autre part, et c'est la préférence du Bas-Canada, on en tient pour une UNION FEDERALE.

b) La Conférence de Charlottetown

Le 1er septembre 1864, les délégués des deux Canadas rencontrent à Charlottetown les représentants de l'Ile du Prince-Edouard, de la Nouvelle-Ecosse et du Nouveau-Brunswick. Les provinces Maritimes qui discutaient d'un projet d'union législative entre elles depuis longtemps, se réunissaient pour aviser à l'établissement d'une union législative entre elles seulement. Les chefs politiques du Haut-Canada avaient d'abord songé à une Union Législative entre trois provinces qui auraient divisé les deux Canadas. Le Bas-Canada ne voulait aucunement d'une Union Législative. La Conférence de Charlottetown donna un premier résultat, qui bien que préliminaire, avait tout de même une grande importance. A l'unanimité, toutes les provinces représentées se rallièrent à l'idée d'une Union générale de toutes les provinces, projet du Plus-Grand-Canada.

c) La Conférence de Québec

A Québec, le 10 octobre 1864, les Pères de la Confédération se réunissent pour donner suite aux entretiens de Charlottetown. Après 19 jours de délibérations, la Conférence de Québec formula 72 résolutions. Le principe fédératif triomphait sur l'idée d'une Union Législative. Un pouvoir central suffisamment fort et les provinces gardant leur autonomie. Le compromis: chacun des pouvoirs autonomes dans les limites de sa juridiction.

Et à ce point, Messieurs les Commissaires, je suis heureux d'adhérer à l'excellent rapport qui vous a été présenté hier au nom de la province par Mtre Beaulieu, et je me sens sûr, appuyé d'une telle autorité, parce que nous concordons tout à fait sur cette autonomie des provinces et des indivisibles entrés dans le grand tout de la Confédération.

d) Ratification par le parlement des deux Canadas

Le parlement des deux Canadas adhéra aux résolutions de Québec à sa session suivante. Au cours du débat, c'était en 1865, MacDonald déclarait:

"Je suis heureux de croire que nous avons
"trouvé un plan de gouvernement qui possède le double
"avantage de nous donner la puissance d'une
"union législative et la liberté d'une union fédérale."

Débats sur la Confédération, p. 33.)

e) La Conférence de Londres

La Conférence de Londres, tenue du 4 décembre 1866 au 24 décembre 1866, n'apporte que peu de changement aux résolutions de Québec. Malgré

un retour d'offensive des unionistes, le principe fédératif, adopté à Québec, demeure.

f) Sanction royale

Le Parlement Impérial adopte l'Acte de l'Amérique Britannique du Nord, après une discussion assez brève, et la Sanction royale est accordée le 29 mars 1867.

A bien noter, que le législateur impérial n'a pas voulu s'immiscer dans ce contrat politique. Au cours du débat de la Chambre des Communes, le gouvernement le déclare expressément: il faut laisser l'Acte tel que l'ont consenti et rédigé les délégués canadiens. La Constitution de 1867, les délégués canadiens l'ont élaborée en son entier, de la première à la dernière clause.

Et le résultat de ces délibérations ce fut un pacte.

LE RESULTAT: UN PACTE

a) Les parties au contrat

L'Acte du Parlement Impérial de 1867 n'a fait que sanctionner la convention des parties. La Confédération est la solution que deux groupements ethniques ont mutuellement consentie, après libre discussion, pour résoudre leurs différends de races.

En 1861, la population du Plus-Grand-Canada est d'environ 3,000,000 d'âmes. Près de la moitié sont de religion catholique, et plus du tiers sont d'origine française. Les Anglo-protestants sont la majorité. Le fait de la dualité de races existe donc, à n'en pas douter, au moment où l'on engage les négociations qui aboutiront à la Confédération. Des difficultés ont surgi de cette dualité de races; et c'est pour remédier à ces

difficultés qu'on a conclu le pacte de la Confédération. Ce fut l'objet essentiel de ce contrat. Les véritables parties furent deux civilisations: les Canadiens anglais et les Canadiens français. Sans le concours de ces deux groupes, la Confédération n'eût pas été possible. De plus, la Confédération telle qu'elle existe maintenant est due aux Canadiens français qui n'ont pas voulu d'une Union législative.

M. LE COMMISSAIRE ANGUS: Il me semble que l'on se trouve en présence de deux théories contraites. La première: les parties du contrat seraient les deux races, les deux civilisations, les anglo-canadiens et les canadiens français.

Selon la seconde, les parties seraient les quatre provinces, et par suite les neuf provinces. Autrement dit, les provinces de langue anglaise ne se considéreraient guère comme unitaires vis-à-vis de la province française et il me semble que c'est cette doctrine, si je l'ai bien comprise, qui est celle que nous a présentée hier le représentant du gouvernement de Québec, la théorie d'un contrat entre les provinces.

Ma question est celle-ci: est-ce qu'on peut concilier les deux théories, les deux doctrines? Est-ce qu'il y avait deux contrats, ou est-ce qu'en acceptant l'existence d'une de ces théories il faut en même temps répudier la seconde?

MONSIEUR LALONDE: Voici, Monsieur le Commissaire: c'est exact, la théorie qu'on vous a exposée hier est celle d'un contrat entre les provinces, et je vous expose moi, que c'est un contrat entre les deux civilisations.

Mais je crois que ces deux théories ne comportent pas de contradictions, si l'on se reporte aux causes immédiates

de ce pacte, parce qu'il nous semble que nous avons unité, union sur le pacte. Nous sommes d'accord pour dire que l'Acte de l'Amérique Britannique du Nord a constitué jusqu'ici, un pacte, un contrat; et d'ailleurs, on voit dans le premier considérant de l'acte que les provinces ont exprimé le désir de contracter une union, mais la cause immédiate c'est un compromis du Bas-Canada et du Haut-Canada.

Le fait démographique à ce moment-là, c'est que le Bas-Canada est canadien-français, et le Haut-Canada est canadien-anglais. Les principales difficultés résultent de cette dualité de nationalité, et c'est à raison de cette dualité qu'on éprouve les difficultés de gouvernement que vous savez.

Et là-dessus, on se renseigne, on entame des pourparlers pour contracter un compromis, un pacte.

Alors, la cause immédiate de la Confédération, c'est ce compromis entre deux nationalités. Et comme ce sont les deux nationalités qui ont entamé les pourparlers, qui ont posé les bases du contrat, peu importe que l'un ou l'autre de ces deux éléments se soit augmenté en nombre ou en superficie, je crois que le sens même du contrat demeure le même et qu'il y ait neuf ou quatre provinces, le principe reste le même.

Et je crois que nous pourrions dire qu'apparemment c'est un contrat entre neuf provinces ou quatre provinces, mais quand on va au mérite, c'est un contrat entre deux civilisations, et dont le fait démographique s'exprimait, comme j'ai eu l'occasion de le dire, par ceci qu'un de ces groupes se trouve une minorité dans une partie des provinces et la majorité dans l'autre, et vice-versa, l'autre groupe est en majorité dans la plupart des provinces et en minorité dans la Province de Québec.

M. LE COMMISSAIRE ANGUS: Il y a cette différence d'ordre pratique entre les deux théories: pour changer les termes d'un contrat il faut le consentement des parties. Maintenant, quelles sont les parties? Au point de vue pratique, si un changement est proposé à l'acte constitutionnel, est-ce qu'une seule province de langue anglaise aurait le droit de lui refuser son consentement à ce changement? Est-ce le droit d'une province ou est-ce le droit d'une race?

Et cette différence a une portée qui est celle-ci: personne, à ce que je sache, ne songerait à proposer le moindre changement aux droits des canadiens de langue française. Mais pour ce qui a trait à toute proposition de changement à une autre partie de la constitution, ou si on proposait des changements qui porteraient sur des parties qui ne concerneraient guère les questions de race ~~et~~ de civilisation, est-ce que ce serait une affaire des neuf provinces où chaque province aurait le droit de refuser son consentement et d'empêcher le changement, ou est-ce toujours une affaire entre deux races, deux civilisations, le canadien de langue française ou le canadien de langue anglaise?

M. LALONDE: Je crois que c'est un peu les deux. A toutes fins pratiques, nous croyons que la Confédération, que la constitution ne peut pas être changée sans le consentement unanime des provinces; mais de plus nous croyons que la constitution ne peut pas être changée sans le consentement des deux civilisations, si d'une façon ou d'une autre, dans ces changements on touche à la base établie lors des délibérations qui ont provoqué l'Acte de 1867.

Je crois que nous avons comme deux principes: un principe, je crois que c'est la philosophie de notre constitution, et l'autre principe c'est la pratique,

Le principe de droit pratique de notre constitution, c'est que ça s'exprime par les personnes, qui sont les provinces, mais nous ne pouvons exprimer rien contrairement à ces droits que ces deux éléments basiques de notre vie.

M. LE PRESIDENT INTERIMAIRE: Qui représenterait ces civilisations à l'extérieur? est-ce la législature d'une province? je suppose qu'à un moment donné, une modification est proposée; elle est acceptée par toutes les provinces, la Législature de Québec l'acceptant comme les autres; considérez-vous que la Législature de Québec aurait le droit d'engager la civilisation française?

M. LALONDE: Je crois que de fait, ce serait la Législature de Québec qui serait le porte-parole, de même que c'est la voix de la majorité d'une partie de la population qui s'exprimerait.

M. LE PRESIDENT INTERIMAIRE: Du fait qu'une législature comme celle de Québec donnerait son approbation, elle se trouverait à engager par le fait même la civilisation dont vous parlez?

M. LALONDE: Oui, et je crois qu'elle a une responsabilité morale à ce point-là.

M. LE PRESIDENT INTERIMAIRE: Nous sommes d'accord.

M. LALONDE: Je crois que nous en étions aux bases de l'entente.

b) Les bases de l'entente

Traiter d'égal à égal. Respecter le particularisme de chaque race.

Citons quelques témoignages des rédacteurs du contrat.

MacDonald, à la Conférence de Québec:

"Tous les préjugés et tous les intérêts
"des parties peuvent être confiés aux législatures

"des provinces... Le peuple de chaque section doit
 "sentir qu'il est protégé; et de telles garanties
 "ne devraient être mises en danger par aucun empiè-
 "tement du pouvoir central."

(Confederation documents. Pope, p. 55.)

MacDonald, à Halifax, antérieurement, avait
 déclaré:

"Dans la discussion d'une union coloniale...
 "nous devons consulter tous les préjugés et les as-
 "pirations des parties...j'espère que nous pourrons
 "mettre au jour une constitution qui comportera un
 "gouvernement central, fort, en état d'offrir une ré-
 "sistance puissante à tout ennemi quel qu'il soit,
 "et qui en même temps préservera l'identité de chaque
 "province et protégera toutes les ambitions parti-
 "culières. ET SI NOUS NE POUVONS EN AGIR AINSI, NOUS
 "SERONS IMPUISSANTS A ATTEINDRE L'OBJET QUE NOUS
 "AVONS EN VUE."

(Union of British Provinces, Charlottetown,
 1865, p. 44.)

"George Brown, un autre des pères de la Confédération, disait, lui aussi à Halifax:

'Je pense qu'il n'y a point de doute sur les grands avantages qui résulteraient d'une union de toutes les provinces, pourvu que les conditions de l'union puissent être trouvées justes pour toutes les parties contractantes et définies de telle sorte qu'elles garantissent l'harmonie dans la future administration des affaires.'

(Union of British Provinces, Charlottetown, 1865, p.37)

George Brown, encore, au parlement des deux Canadas, dira en 1865:

'Que nous demandions une réforme parlementaire pour le Canada seul ou une union avec les provinces Maritimes, il faut consulter les vues des Franco-Canadiens aussi bien que les nôtres. Ce projet peut être accepté, mais nul autre QUI N'AURAIT L'ASSENTIMENT DES DEUX SECTIONS NE POURRAIT L'ETRE.'

(Débats sur la Confédération, p. 86.)

En Septembre 1864, The Globe, journal du même George Brown, exprimait ses désirs aux gouvernants du temps:

'Trouvez quelques moyens par lesquels nous aurions notre juste part dans le Gouvernement du pays; trouvez aussi quelques moyens qui nous ôtent toute possibilité de détruire ces choses que les Canadiens français chérissent, ou même d'y toucher, et, pourvu que les moyens proposés ne donnent pas au Bas-Canada le pouvoir de régler nos propres affaires, nous les adopterons et les approuverons de tout notre coeur.'

(Cité par La Minerve, 19 septembre 1864.)

Hector Langevin, au parlement des deux Canadas:
 'Avec la Confédération, il n'y aura pas de domination d'une race sur l'autre et si une section voulait commettre une injustice envers une autre section, toutes les autres s'uniraient ensemble et l'en empêcheraient.'

(Débats sur la Confédération, p. 374.)

Georges Etienne Cartier:

'Il n'y a donc pas à craindre que l'on cherche jamais à priver la minorité de ses droits.'

Georges Etienne Cartier, de nouveau:

'Si nous nous unissons, nous formerons une nationalité politique, indépendante de l'origine nationale et de la religion des individus. Des hommes ont regretté qu'il y eût diversité de races et ont exprimé l'espoir qu'avec le temps cette diversité disparaîtrait. La fusion des races en une seule est une utopie; c'est une impossibilité.'

Vingt-trois ans après la Confédération, aux Communes, à Ottawa, en 1890, Sir John A. MacDonald définissait ainsi l'esprit du pacte fédéral:

'I have no accord with the desire expressed in some quarters that by any mode whatever there should be an attempt made to oppress the one language or to render it inferior to the other; I believe that would be impossible if it were tried and it would be foolish and wicked if it were possible. The statement that has been made so often that this is a conquered country is 'à propos de rien'. Whether it was conquered or ceded, we have a constitution now under which

all British Subjects are in a position OF ABSOLUTE EQUALITY, HAVING EQUAL RIGHTS OF EVERY KIND, OF LANGUAGE, OF RELIGION, OF PROPERTY AND OF PERSON. There is no paramount race in this country, there is no conquered race in this country, we are all British Subjects, and those who are not English are non the less British Subjects on that account.'

(Debates, House of Commons 1890, col.745.)

L'Honorable C. H. Cahan, avocat, C. R., ancien secrétaire d'Etat dans le cabinet Bennett, a connu intimement plusieurs des délégués provinciaux qui participèrent aux délibérations des Conférences de Charlottetown et de Québec, assises préparatoires à la Confédération. Il déclarait récemment:

'The young men of that day were inspired by the thought that they were participating in an unprecedented political evolution from the colonial era and the founding of a new Canadian Nation in which THE TWO GREAT RACES OF BRITISH AND FRENCH DESCENT WOULD CORDIALLY CO-OPERATE ON TERMS OF PERFECT EQUALITY in the upbuilding of an autonomous British Dominion on the northern half of this continent.'

(Montreal Daily Star, April 19, 1938, p.3.)

En entrant dans la Confédération, le Canada français était désireux de contribuer à la grandeur canadienne, mais il ne consentait nullement à perdre son individualité nationale. Pour attester cette volonté de l'une des parties au contrat de 1867, permettez que nous reproduisions les deux témoignages suivants:

En 1865, au parlement des deux Canadas, Hector Langevin, l'un des Pères de la Confédération, '

s'exprimait comme suit:

'Ce que nous désirons et voulons, c'est défendre les intérêts généraux d'un grand pays et d'une puissante nation, par le moyen d'un pouvoir central et fort. D'un autre côté, nous ne voulons pas faire disparaître nos différentes coutumes, nos lois: au contraire, c'est là précisément ce que nous désirons le plus protéger par la confédération.'

(Débats sur la Confédération, p. 379.)

Au cours du débat sur l'Acte de l'Amérique Britannique du Nord, Lord Carnarvon disait à la Chambre des Lords, le 19 février 1867:

'Le Bas-Canada est jaloux et fier, à bon droit, de ses coutumes et de ses traditions ancestrales; il est attaché à ses institutions particulières et n'entrera dans l'union qu'avec la claire entente qu'il les conservera. Le 42ième article du traité de capitulation en 1760, lorsque le Canada fut cédé par le marquis de Vaudreuil au général Amherst, est ainsi conçu: Les Français et Canadiens continueront d'être gouvernés suivant la Coutume de Paris et les lois et usages établis pour ce pays.'

'La coutume de Paris est encore le fondement reconnu de leur code civil, et leurs institutions nationales ont été pareillement respectées par leurs compatriotes anglais, et chéries par eux-mêmes. Et c'est avec ces sentiments et à ces conditions que le Bas-Canada consent maintenant à entrer dans cette confédération.'

(Parliamentary Debates, 19 Feb., 1867, p. 568.)

D'ailleurs, la confiance régnait chez les repré-

sentants de la minorité franco-catholique. C'est avec l'assurance d'une réciprocité de traitements généreux, qu'ils acceptèrent la constitution, telle que rédigée. A ce sujet, il est intéressant de relire une dépêche que Lord Carnarvon adressait au lieutenant-gouverneur Dundas, en date du 19 janvier 1867. Faisant allusion aux difficultés d'établir la Confédération, Lord Carnarvon écrit:

'De beaucoup, la part la plus importante de ces difficultés a été écartée dans le cas présent par la sage et loyale clairvoyance des hommes publics du Bas-Canada qui, en abordant ce sujet, se sont montrés capables de concilier une vaillante défense de leurs coutumes et de leurs institutions héréditaires avec une généreuse confiance en la justice et au sentiment amical de leurs plus nombreux compatriotes d'origine britannique.'

(Public Archives of Canada, series Imperial blue Books, Vol. 20, p. 1137.

L'ACTE

L'Acte de l'Amérique Britannique du Nord, 1867, (30-31, Victoria, chapitre 3), comme s'appelle 'la Grande Charte Canadienne', n'a pas été imposé par le Souverain. L'un des motifs de la loi, c'est même que les provinces intéressées ONT EXPRIME LE DESIR DE CONTRACTER UNE UNION FEDERALE. Ce désir, de longues discussions l'ont précisé. Nous connaissons parfaitement l'intention des parties. Guide précieux, l'esprit de la Constitution n'en contredit pas la lettre: il l'éclaire.

Une synthèse du contrat révèle la distinction des deux parties. Les points indicateurs de la démar-

cation sont: deux religions, deux langues, et deux systèmes de lois. La démographie des deux groupes ethniques s'exprime comme suit: majorité dans les trois provinces, les Anglo-protestants sont minorité dans le Québec; et majorité dans le Québec, les Franco-catholiques sont minorité dans les autres provinces. Les deux majorités ont voulu sauvegarder également les droits des deux minorités. C'était l'idéal de la Solution Fédérative.

(a) Dualité religieuse.

C'est en traitant de l'Education que l'article 93 touche à la question religieuse. La signification de cet article peut se formuler comme suit:

1 - A l'avenir, chaque province aura juridiction exclusive, pour légiférer en matière d'éducation.

2 - Mais la nouvelle législation ne pourra toucher aux droits acquis des écoles séparées (denominational).

3 - Exemple: désormais, les pouvoirs, privilèges et devoirs légaux actuels des écoles séparées catholiques romaines du Haut-Canada seront ceux des écoles dissidentes protestantes et catholiques romaines de la province de Québec.

4 - Dans toutes les provinces, la minorité protestante ou catholique romaine pourra interjeter appel au Gouverneur général en conseil de tous actes ou décisions qui affecteraient aucun de ses droits ou privilèges, relativement à l'éducation; et cela, que la province ait possédé un système d'écoles séparées ou dissidentes lors de l'Union, ou qu'elle ait établi ces écoles depuis, peu importe.

5 - Exceptionnellement, le Parlement du Canada pourra légiférer en cette matière, dans les deux cas

suivants: la province n'établit pas un système d'écoles séparées ou dissidentes, et que ce soit nécessaire; ou, si la province n'exécutait pas la décision du Gouverneur général en conseil rendue à la suite d'un appel logé par une minorité.

Le Parlement fédéral abandonne aux provinces les pouvoirs législatifs, en matière d'éducation, mais à la condition expresse que les provinces ne préjudicient, en aucune façon, aux droits et privilèges des minorités. Tous les cas sont prévus. Ou bien, lors de l'Union, la province avait établi un système d'écoles séparées; ou bien, la province a établi ces écoles séparées depuis l'Union; ou bien, enfin, la province n'établit pas tel système d'écoles. Si par commission ou omission, aucun des droits ou privilèges d'une minorité protestante ou catholique romaine est affecté, l'on pourra interjeter appel au Gouverneur général en conseil.

Les deux minorités religieuses: protestante ou catholique romaine, ont des droits absolument égaux, et cela, dans toutes les provinces de la Confédération. A l'appui de cette affirmation, permettez que nous citions l'avis d'un législateur qui participa aux débats sur la Confédération.

Le 19 février 1867, Lord Carnarvon disait à la Chambre des Lords:

"L'objet de la clause, c'est d'assurer à la minorité religieuse d'une province les mêmes droits, privilèges et protection, dont peut jouir la minorité religieuse d'une autre province."

Et le 22 février 1867, lors de la discussion en comité, le même Lord Carnarvon ajoutait:

"L'objet de cette clause a été de prendre des

garanties contre la possibilité d'une oppression induite de la majorité contre les membres de la minorité. Il a été de placer toutes les minorités, à quelque religion qu'elles appartiennent, dans une parfaite égalité de situation, que ces minorités soient in esse ou in posse. Ainsi la minorité catholique du Haut-Canada et la minorité protestante du Bas-Canada et de même la minorité catholique des provinces maritimes jouiront toutes d'une parfaite égalité.'

(Parliamentary Debates, 1867. p-556.)

(b) Dualité de langues.

L'article 133 édicte le bilinguisme public, et pour le parlement fédéral et pour les chambres de la province de Québec. Tout député, tout sénateur, à Ottawa, a le droit d'exercer sa fonction de législateur en français ou en anglais. De même à Québec pour tout député et tout conseiller législatif. De plus les textes des deux parlements DOIVENT être en anglais et en français.

Devant tous les tribunaux fédéraux, et les tribunaux de la province de Québec, les justiciables, les avocats, les juges peuvent s'exprimer en anglais ou en français. Toutes les pièces de procédures produites devant ces tribunaux ou émanant de ces tribunaux peuvent être, soit en anglais, soit en français. C'est le bilinguisme judiciaire.

Quant au bilinguisme privé, pour les actes du gouvernement fédéral ou du gouvernement de Québec, la loi impose l'obligation des deux langues. Quant aux citoyens, ils ont le choix: ils peuvent parler ou écrire en anglais ou en français, quand ils s'adressent à l'une de ces autorités, c'est leur droit.

En retour ces autorités ont l'obligation de comprendre ces citoyens et de leur répondre dans la même langue; c'est l'obligation stricte de ces autorités, corrélative du droit de citoyen. De même devant les tribunaux. Si le citoyen a le droit de s'exprimer en une langue devant un tribunal, ce tribunal est obligé de comprendre ce justiciable. Autrement le droit devient dérisoire. Et l'exercice d'un droit ne doit jamais causer préjudice. Car alors le droit engendrerait l'injustice.

Nous ne croyons pas d'ailleurs, que ces données juridiques puissent souffrir de contradiction sérieuse. Tout Canadien, dans quelque province qu'il réside, a le droit de se servir de la langue anglaise ou de la langue française soit au sénat, soit au parlement fédéral, soit devant tous les tribunaux fédéraux, soit dans ses relations écrites ou verbales avec les autorités fédérales. Il en est de même vis-à-vis des autorités provinciales du Québec.

La Constitution garantit ce droit au citoyen canadien. Ce droit acquis passe aux générations futures. Du moins jusqu'à révocation. L'accessoire suit le principal, pourrait-on dire en droit public tout comme on dit en droit civil français. Ce droit de parler ou d'écrire en une langue, surtout dans les relations de citoyen à Etat, ou dans l'accomplissement de certains devoirs publics, implique que ce citoyen puisse se mettre en état de l'exercer, de jouir de ce privilège. Comment les Canadiens de demain pourraient-ils connaître soit la langue française, soit la langue anglaise, s'ils

ne peuvent pas l'apprendre. Et à toutes fins pratiques, n'est-ce pas l'école qui est le médium ordinaire de tout enseignement?

Aussi, un Canadien de langue anglaise a-t-il le droit à l'enseignement de sa langue dans la province de Québec. Cela, en vertu des mêmes principes juridiques qui donnent à un Canadien de langue française le droit d'obtenir l'enseignement du français dans chacune des autres provinces de la Confédération. La base de ces deux droits est absolument la même: le droit naturel, les Traités, et le Contrat de 1867.

La conclusion constitutionnelle qui s'impose c'est que les Canadiens, dans quelque province qu'ils soient, ont droit à l'enseignement de la langue de leur choix, que ce soit la langue anglaise ou la langue française. Les deux langues étant également officielles dans ce pays, elles ont les mêmes droits.

Au parlement des deux Canadas, MacDonald disait un jour:

"Cela a été proposé par le gouvernement canadien de crainte qu'il survienne plus tard un accident, et les délégués de toutes les provinces ont consenti à ce que l'usage de la langue française formât l'un des principes sur lesquels serait fondée la Confédération, et que son usage, tel qu'il existe aujourd'hui, fût garanti par l'Acte impérial."

(Débats sur la Confédération, p.243)

"The Montreal Gazette", du 29 avril 1927, le comprenait ainsi également:

"This country is bilingual. French was the first official language spoken in this part of the world, its existence is recognized by the British North America Act, and one of the educational ideals of the provinces is to provide means whereby the language may be efficiently taught in the schools."

(c) Dualité de systèmes de lois

L'article 94 donne au Parlement du Canada le pouvoir d'uniformiser "les lois relatives à la propriété et aux droits civils et à la procédure devant les tribunaux". Cela, dans les provinces d'Ontario, de la Nouvelle-Ecosse et du Nouveau-Brunswick.

La province de Québec est exclue de cette uniformisation. C'est que le Bas-Canada possédait un droit privé particulier: le droit français, en partie basé sur la "Coutume de Paris"; et il a toujours tenu à conserver "ses lois et coutumes". L'Acte de 1867 a sanctionné cette volonté séculaire de l'une des parties au pacte.

L'article 94 et ses corollaires, les articles 97 et 98, rappellent la différence d'attitudes que les deux groupes avaient prises, dès le début des conversations qui ont provoqué la Confédération. L'un, le groupe anglo-canadien favorisant le principe d'une Union Législative, où toutes les parties auraient été confondues dans le grand tout.

L'autre, le groupe franco-canadien, préférant une Union fédérale, où tout en s'associant, les parties contractantes ne perdraient pas leur individualité.

Ces articles conjugués manifestent le vouloir de sauvegarder chaque position. Ceux qui le désirent

seront unifiés, mais on respectera le particularisme des autres.

D'où l'on pourrait démontrer que la note dominante de la Constitution de 1867, c'est une conciliation généreuse et réciproque des deux entités nationales: les véritables contractants.

De cet exposé, nous tirons les conclusions suivantes:

1o Deux races, deux cultures, deux civilisations constituent ce pays.

2o Pour réaliser une harmonie nationale, ces deux races ont librement consenti un contrat: le pacte de la Confédération qui a été sanctionné par l'Acte de l'Amérique Britannique du Nord.

3o Suivant l'esprit et la lettre de ce contrat, les deux parties ont des obligations et des droits égaux: chacun doit respecter les particularités de l'autre: notamment en matière de foi, de langue et de droit privé.

4o Tout acte posé en violation de ces données est anticonstitutionnel.

Par exemple, doivent être qualifiées ainsi les législations suivantes:

- 1871 - Loi du Nouveau-Brunswick supprimant les écoles catholiques et bannissant le français du programme scolaire.
- 1877 - Loi de l'Ile du Prince-Edouard au même effet.
- 1890 - Loi du Manitoba abolissant les écoles séparées et interdisant le français officiel.
- 1892 - Le Conseil des Territoires du Nord-Ouest adopte une mesure au même effet.
- 1912 - Loi du Keewatin qui porte la main sur les écoles confessionnelles et interdit le fran-

çais, à toutes fins pratiques.

1912 - Loi de l'Ontario. - Le Règlement XVII,
et c'est l'histoire ancienne.

1916 - Loi du Manitoba effaçant le français du
programme scolaire.

M. LALONDE : Voici quant à l'exposé qui m'était assigné. Je prierais M. Bastien de venir faire l'exposé de la partie qui concerne les faits sociaux dans la province de Québec, car je crois qu'il pourra donner un meilleur exposé et tous les éclaircissements nécessaires. Je ne sais pas, mais si vous avez quelques questions à me poser, je suis à votre disposition.

Nous n'avons pas fait imprimer l'article 94, mais nous en donnons à la page suivante une copie dactylographiée.

M. LE PRESIDENT SUPPLEANT : Nous allons faire transcrire l'Annexe A, nous ne la lisons pas.

Acte de l'Amérique britannique du Nord

ARTICLE 93. Dans chaque province, la législature pourra exclusivement décréter des lois relatives à l'éducation, sujettes et conformes aux dispositions suivantes:

(1) Rien dans ces lois ne devra préjudicier à aucun droit ou privilège conféré, lors de l'union, par la loi à aucune classe particulière de personne dans la province, relativement aux écoles séparées (denominational).

(2) Tous les pouvoirs, privilèges et devoirs conférés et imposés par la loi dans le Haut-Canada, lors de l'union, aux écoles séparées et aux syndics d'écoles des sujets catholiques romains de Sa Majesté, seront et sont par le présent étendus aux écoles dissidentes des sujets protestants et catho-

liques romains de la Reine dans la province de Québec;

(3) Dans toute province où un système d'écoles séparées ou dissidentes existera par la loi, lors de l'union, ou sera subséquemment établi par la législature de la province, - il pourra être interjeté appel au gouverneur général en conseil de tout acte ou décision d'aucune autorité provinciale affectant aucun des droits ou privilèges de la minorité protestante ou catholique romaine des sujets de Sa Majesté relativement à l'éducation;

(4) Dans le cas où il ne serait pas décrété telle loi provinciale que, de temps à autre, le gouverneur général en conseil jugera nécessaire pour donner suite et exécution aux dispositions de la présente section, - ou dans le cas où quelque décision du Gouverneur général en conseil, sur appel interjeté en vertu de cette section, ne serait pas mise à exécution par l'autorité provinciale compétente, - alors et en tout tel cas, et en tant seulement que les circonstances de chaque cas l'exigeront, le parlement du Canada pourra décréter des lois propres à y remédier pour donner suite et exécution aux dispositions de la présente section ainsi qu'à toute décision rendue par le gouverneur général en conseil sous l'autorité de cette même section.

ARTICLE 94. Nonobstant toute disposition contraire énoncée dans le présent acte, - le Parlement du Canada pourra adopter des mesures à l'effet de pourvoir à l'uniformité de toutes les lois ou de parties des lois relatives à la propriété et aux droits civils dans Ontario, la Nouvelle-Ecosse et le Nouveau-Brunswick, et de la procédure dans tous

les tribunaux ou aucun des tribunaux de ces trois provinces; et, depuis et après la passation d'aucun acte à cet effet, le pouvoir du Parlement du Canada de décréter des lois relatives aux sujets énoncés dans tel acte, sera illimité, nonobstant toute chose au contraire dans le présent acte; mais tout acte du Parlement du Canada pourvoyant à cette uniformité n'aura d'effet dans une province qu'après avoir été adopté et décrété par la Législature de cette province.

Annexe B

ARTICLE 97. Jusqu'à ce que les lois relatives à la propriété et aux droits civils dans Ontario, la Nouvelle-Ecosse et le Nouveau-Brunswick, et à la procédure dans les cours de ces provinces, soient rendues uniformes, les juges de ces cours de ces provinces qui seront nommés par le Gouverneur général devront être choisis parmi les membres des barreaux respectifs de ces provinces.

ARTICLE 98. Les juges des cours de Québec seront choisis parmi les membres du barreau de cette province.

Annexe C

ARTICLE 133. Dans les chambres du parlement du Canada et les chambres de la législature de Québec, l'usage de la langue française ou de la langue anglaise, dans les débats, sera facultatif; mais dans la rédaction des archives, procès-verbaux et journaux respectifs de ces chambres, l'usage de ces deux langues sera obligatoire et dans toute plaidoirie ou pièce de procédure par-devant les tribunaux ou émanant des tribunaux du Canada qui seront établis sous l'autorité du présent acte, et par-devant tous

les tribunaux ou émanant des tribunaux de Québec, il pourra être fait également usage, à faculté, de l'une ou de l'autre de ces langues.

Les actes du parlement du Canada et de la législature de Québec devront être imprimés et publiés dans ces deux langues.

M. ST-LAURENT : Il y a quelques questions que j'ai à poser à cause de l'importance du mémoire et du groupe que vous représentez. Je note, à la page 18, juste avant la conclusion, la déclaration que les véritables contractants sont les deux entités nationales: c'est là, n'est-ce pas, la position qui est prise par la Société Saint-Jean-Baptiste de Montréal? R. Oui.

Q. Maintenant, à la page 8, je trouve: "Des injures et des injustices envers un groupe: les deux provinces et tout le pays en souffrent. Tout gouvernement est devenu impossible: les deux provinces, associées d'hier, sont en opposition irréductible, il faut une réforme politique;" à ce moment, il y avait, au point de vue juridique, deux provinces, il n'y avait qu'une seule province des deux Canadas, n'est-ce pas? R. Au point de vue l'entité politique, c'est exact, les deux, le Haut et le Bas Canada. Nous aurions dû employer un autre terme que "les deux provinces". Je voulais simplement faire remarquer qu'on avait désigné une des provinces comme Haut Canada et l'autre comme Bas Canada, qui

autrefois étaient des provinces séparées et qui ont été réunies. Les deux provinces ont toujours existé et ont été réunies pour en former une seule.

Q. Au point de vue juridique, il n'y avait, pour le Canada, qu'une seule province. R. Oui

Q. Si, au lieu d'adopter votre thèse que le pacte était un pacte entre les groupes ethniques, on adoptait l'autre thèse que c'était un pacte entre les états autonomes,

les états souverains, il n'y aurait pas eu à ce moment d'état autonome ou d'état souverain représentant séparément le groupe ethnique canadien-français? R. Politiquement, non.

Q. Si on adopte la thèse que c'est un pacte entre le groupe politique, il n'y avait à ce moment que les provinces maritimes séparément et les deux Canadas réunis ensemble. R. C'est exact.

Q. Comme conséquence de l'Acte fédératif, il y a eu division des deux Canadas en deux entités politiques séparées. R. Oui.

Q. L'Acte de 1867 a réparti à l'une de ces deux entités politiques certains pouvoirs législatifs, certains pouvoirs énumérés dans la section 93. R. Oui. Je crois que cette entité ou cette diversité n'exclue pas la distinction ethnique.

Q. Non, mais le point de vue auquel vous vous placez historiquement, c'est que le pacte s'est fait entre les deux groupes ethniques, ça n'a pas été un contrat régulier entre des entités juridiques. R. C'est exact.

Q. La conséquence, c'est qu'il faut, s'il y a jamais modification à ce pacte, le consentement des groupes qui l'ont véritablement formé. R. Exactement.

Q. Il se peut qu'un de ces groupes soit représenté quant à la majorité de ceux qui le composent, par une législature provinciale, mais que cela existe ou non en fait, la nécessité de respecter les droits du groupe ethnique n'en sera pas affectée. R. Absolument non.

Q. Si un jour il y avait une majorité dans la province de Québec qui ne serait pas une majorité française, ça ne veut pas dire que les droits des Canadiens d'origine française ne seraient pas respectés. R. Absolument pas.

Q. Ces droits, votre société établit qu'ils n'existent pas

seulement en faveur des Canadiens d'origine française qui habitent dans la province de Québec, mais ils existent pour tous les Canadiens d'origine française qui habitent dans tout le Canada. R. Absolument.

Q. Si la Législature de Québec était choisie par le groupe, ce serait à cause de la circonstance accidentelle qu'il aurait la majorité du groupe? R. Ca n'aurait qu'une importance accidentelle.

Q. Lorsque présentement elle parle au nom des Canadiens français, c'est parce que la majorité des Canadiens français se trouvent à demeurer dans la province de Québec.

R. C'est une contingence, un principe de droit.

Q. Maintenant, à la page 17, vous affirmez le droit à l'enseignement de la langue française d'une minorité ethnique, que ce soit une minorité française, que ce soit une minorité anglaise, à quelque endroit qu'elle se trouve: je présume, au point de vue strictement juridique, que la conséquence serait qu'aucune législature, aucun parlement quelconque, n'aurait le droit de mettre entrave à l'enseignement d'une langue. R. C'est notre avis.

Q. Il n'en résulterait pas, au point de vue strictement juridique, qu'un gouvernement provincial aurait des obligations de faire quoi que ce soit à cet égard. R. Non, mais il a l'obligation stricte de ne pas empêcher, ni directement ni indirectement.

Q. Ces obligations sont des obligations de ne pas faire plutôt que des obligations strictement juridiques de faire?

R. Oui, plutôt. Quand je dis directement et indirectement, je veux dire, par exemple, la répartition des crédits.

S'il est question d'une contribution financière pour les écoles, il a l'obligation de réserver la proportion pour répartir la distribution des impôts scolaires.

Q. Est-ce que cela serait strictement juridique plutôt

qu'une conséquence de l'équité naturelle? R. Je crois que cela se déduirait comme conséquence, ce serait une conséquence d'ordre juridique, puisque, si j'ai le droit d'exercer un droit, est-ce que juridiquement je ne peux pas raisonner ainsi? J'ai le droit à ce qu'il me faut pour exercer ce droit. Si j'ai le droit acquis à l'enseignement, est-ce que je n'ai pas le droit acquis aux moyens qui donnent cet enseignement, c'est-à-dire l'école?

Q. Dans l'exercice de nos droits civils, si j'ai un droit de passage, le propriétaire du droit asservi ne peut rien faire pour entraver l'exercice de mon droit, mais il n'est pas obligé d'améliorer le chemin? R. Mais il a l'obligation de ne pas le de ne pas le

Q. De ne pas mettre de barrière? R. Il doit tout de même le rendre praticable.

Q. Non, s'il devient impraticable par une cause qui ne dépend pas de lui, c'est moi qui suis obligé de le réparer pour passer. R. Je me demande si on peut très bien assimiler à une question de servitude la question que vous me posez.

Q. L'obligation des législateurs serait de ne pas faire, au point de vue de droit public et au point de vue d'équité naturelle: est-ce que ce ne serait pas là la distinction à faire? R. Oui, mais l'obligation de ne pas faire directement ni indirectement, je concède.

Q. Comme conséquence des prémisses sur lesquelles je viens de vous poser ces questions, est-ce qu'il ne résulterait pas, s'il s'agissait d'une modification au Pacte fédéral, que le consentement des deux groupes ethniques suffirait pour le justifier? R. Dans les matières qui concernent ces deux groupes ethniques, essentiellement oui; mais je ne crois pas que l'on pourrait obtenir une modification de la Constitution sans la participation de toutes les

provinces et sans l'acte du parlement impérial.

Q. Je veux dire au point de vue du droit naturel du parlement impérial de décréter les modifications, si le consentement des deux groupes ethniques lui était exprimé de façon authentique, cela suffirait. R. Oui, mais il faudrait absolument cette expression de consentement des deux groupes ethniques.

Q. Théoriquement, on peut concevoir que cette expression prendrait une forme autre qu'une résolution des différentes législatures.

M. BASTIEN, de la part de la Société Saint-Jean-Baptiste de Montreal:

Monsieur le président, messieurs les commissaires,

Je me demande s'il y a lieu de vous lire cette deuxième partie du mémoire, les gens qui sont dans l'auditoire vont être informés par la presse, et le personnel de la Commission, de même que les commissaires qui siègent, ont été informés directement par la production du mémoire.

M. LE PRESIDENT SUPPLEANT : C'est vous qui le présentez.

M. BASTIEN : J'imagine que le résumé sera peut-être suffisant, ceci permettrait à la Commission d'avoir plus de temps pour nous poser des questions, puisque nous sommes ici pour informer cette Commission.

Dans la deuxième partie du mémoire de la Société Saint-Jean-Baptiste de Montreal, nous avons démontré que s'il y avait désir de modifier, sans doute pour le mieux, la Constitution fédérale, il faudrait tenir compte de la situation sociale particulière de la province de Québec. Cette Commission a été informée abondamment des faits bruts. Cette deuxième partie du mémoire tente, en serrant les faits aussi prêt que possible, de les interpréter.

Nous disons donc, comme raisonnement de base, que notre droit, notre législation sociale ont créé chez nous des faits sociaux spéciaux. Or, si la situation sociale est particulière à notre groupe, il faudra, même pour le bien commun de tout le pays, tenir compte essentiellement des diversités sociales. Dans la province de Québec, les faits sociaux s'inspirent de deux sources reconnues par la Constitution fédérale, le droit civil et la sociologie catholique résultant de la religion catholique.

Nous démontrons ensuite ce raisonnement que même la Législature de la province de Québec, en autant qu'elle s'est éloignée des faits sociaux, dont le principe est chez nous la famille, a causé des perturbations. Là, nous nous disons: ou bien une législation plus centralisée au point de vue social tiendra compte de ces faits, ou bien elle n'en tiendra pas compte.

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M. BASTIEN: Si elle n'en tient pas compte, à quoi bon légiférer puisque toute tentative de centraliser serait, j'imagine, pour améliorer la situation, et si par hasard ou par contingence, probablement à cause de l'intérêt qu'une province en particulier peut susciter, si par contingence cette législation sociale centralisatrice était plus favorable que la législation sociale actuelle, c'est qu'elle s'inspirerait des faits sociaux particuliers à notre province; et nous ne voyons pas, étant de la majorité en cette province, et aussi auxieux que la minorité peut l'être chez nous, nous ne voyons pas quel intérêt il y aurait du point de vue social à centraliser, parce que chez nous à cause des faits sociaux particuliers, toute tentative pour améliorer la classe des villes, provoquerait chez nous, à cause de la particularité sociale, la différence plus grande qu'il y a entre le paysan et l'ouvrier, entre l'agriculture et l'industrie.

Enfin, l'intérêt qu'il y aurait à légiférer dans le sens d'une centralisation sociale plus grande obligerait l'état fédéral à tenir compte d'une diversité démographique et géographique qui dans l'histoire encore récente s'est avérée assez bien et à son rang. Et comme la législation sociale obligerait une province à avoir des revenus accrus, nous croyons même, et nous sommes heureux de ne pas être la seule société ni la seule province à penser de même, qu'au lieu de resserrer et de centraliser, c'est peut-être pour le groupe social des canadiens-français de toutes les provinces, préférable de desserrer, et nous en arrivons à une conclusion finale en faveur d'un élargissement de l'autonomie provinciale.

Je crois avoir résumé les faits sociaux qui sont discutés dans la seconde partie de ce mémoire. Messieurs les Commissaires ont le mémoire entre les mains, et la

Société St-Jean-Baptiste, par moi-même, tâchera de répondre aux questions qu'il leur fera plaisir de nous poser.

MTRE ST-LAURENT: M. Bastien, vous avez signalé ici les faits sociaux principaux d'où vous tirez les conclusions que vous avez exprimées devant la Commission. Avez-vous dit à un moment donné, que même certaine législation provinciale qui s'était éloignée de cette idée de la cellule familiale comme base de notre législation, avait créé une perturbation?

Est-ce que vous pourriez illustrer votre pensée en donnant quelques exemples pour qu'on comprenne mieux de quoi il s'agit?

M. BASTIEN: La législature provinciale, par exemple vers 1905, avait adopté une loi qui favorisait le fait social familial; en retranchant cette loi, on faisait un acte qui rendait plus difficile, plus aléatoire le fait social familial.

MTRE ST-LAURENT: Pour préciser un peu, je présume que vous faites allusion à cette loi qui donnait une prime en terre à une famille nombreuse?

M. BASTIEN: Exactement.

MTRE ST-LAURENT: Cette loi a été en vigueur un certain nombre d'années, et a été ensuite remplacée par une prime en argent, et je crois que celle-ci a été finalement abandonnée?

M. BASTIEN: Oui, finalement il n'y a eu aucune législation pouvant remplacer l'ancienne et favoriser la famille.

MTRE ST-LAURENT: Maintenant, pour que le dossier soit juste à cet égard là, est-ce qu'il convient pas de noter que malgré la belle inspiration de la loi, il s'est trouvé, au cours des années, que des spéculateurs sur les lots de bois aient profité d'une façon désordonnée en

achetant les droits à la prime qui pouvait être accordée à la famille nombreuse?

M. BASTIEN: Exactement; la partie du mémoire que je viens d'expliquer fait allusion à ce fait que notre législation forestière, la coupe du bois, l'exploitation de la forêt, a toujours été faite d'une manière anti-familiale, non pas dans le but de favoriser ou de compléter les richesses de la famille agricole, de la famille rurale, mais accidentellement ayant le résultat de la désorganiser.

MTREST-LAURENT: Que ce soit exact en fait ou non, nous savons tous deux qu'on a prétendu que cette loi de la prime en terre à une famille nombreuse avait donné lieu à des abus entre les mains des spéculateurs.

M. BASTIEN: Des abus dans l'application de la loi.

MTRE ST-LAURENT: Et que ce soit une raison fondée en fait ou non, c'est la raison qu'on a donnée quand on l'a modifiée.

Puis, vous sembliez vouloir ajouter un deuxième exemple de cette loi provinciale qui paraissait s'éloigner de cette idée inspiratrice de la cellule familiale?

M. BASTIEN: Ce sont la plupart de nos lois sociales, telles que la loi des Accidents du Travail; la plupart de nos lois sont d'inspiration étrangère et contraires à la mentalité et aux sentiments de la population.

MTRE ST-LAURENT: Quant à la loi des Accidents du Travail, voulez-vous expliquer le point? Je ne saisis pas immédiatement comment ceci pourrait être contraire à cette idée familiale.

M. BASTIEN: C'est que le fait familial dans la province de Québec donne à la famille la prétention de pouvoir par sa doctrine régler ses problèmes. Par conséquent, dans les cas normaux d'aide à la famille rurale, ou à la famille de l'accidenté, toute intervention de

l'état contribue à amoindrir l'esprit familial qui, chez nous, est un fait.

MTRE ST-LAURENT: Même aujourd'hui, ce serait bien difficile de faire machine en arrière quant à cette loi des Accidents du Travail.

M. BASTIEN: Pour cette loi, peut-être.

MTRE ST-LAURENT: Pouvez-vous en indiquer d'autres lois sociales qui paraîtraient contraires à cette idée de solidarité familiale?

M. BASTIEN: Il y a nos lois des syndicats; cela a créé autour de la famille un vide qu'elle a été chercher ailleurs. Ensuite il y a toute la politique agricole qui consiste à croire qu'en rapportant les gens de la ville à la campagne nous allons améliorer les choses, alors qu'en saine socialologie il est infiniment plus facile de maintenir quelqu'un à la campagne que de l'y ramener.

MTRE ST-LAURENT: Oui, mais c'est peut-être encore là un défaut de carence qu'une faute de commission.

M. BASTIEN: C'est un défaut de carence dû soit à l'ignorance ou à l'oubli de la mentalité particulière de la population.

MTRE ST-LAURENT: Est-ce que vous iriez jusqu'à dire qu'il aurait du pendant ces dernières décades être fait quelque chose de plus efficace pour retenir un plus grand nombre des nôtres à la campagne?

M. BASTIEN: D'une manière particulière, je ne pourrais dire; mais toute l'inspiration aurait pu en être changée. C'est une question d'inspiration.

MTRE ST-LAURENT: Voulez-vous préciser davantage? Est-ce qu'on doit comprendre que votre société, croit, que, par exemple, le développement industriel a été contrainte à cette idée familiale?

M. BASTIEN: Notre société croit que la législation, que le développement industriel de ces dernières années, elle le croit avec des chiffres, que ce développement industriel intense de la grande industrie a été contraire à la famille. Elle cite deux ou trois cas de petites municipalités, ayant de petites industries qui ont traversé la période de crise beaucoup plus avantageusement que les grands centres où est la grande industrie, Victoriaville et Drummondville.

MTRE ST-LAURENT: Victoriaville et Drummondville, encore, que ce soit vrai ou non, est-ce qu'on n'a pas allégué qu'il y avait les influences du tarif qui ont particulièrement favorisé les industries de ces localités?

M. BASTIEN: Les influences du tarif auraient bien pu favoriser les mêmes industries sur une grande échelle. Or, le même tarif n'a pas favorisé la même industrie établie sur une grande échelle.

MTRE ST-LAURENT: Pensez-vous qu'il n'était pas plus facile, même pendant cette période là, le montant des achats partout étant plus bas que la normale, pensez-vous qu'il n'était pas plus facile d'aider à de petites choses qu'à de grandes choses?

M. BASTIEN: Nous croyons que oui; c'est ce qui nous rallie à la formule de la petite industrie.

MTRE ST-LAURENT: Une disposition tarifaire qui pouvait favoriser une entreprise relativement petite aurait pu être inefficace à cause du fait que le pouvoir d'achat, le montant des achats qui se faisaient pendant cette période était plus bas que la normale.

M. BASTIEN: Ce n'est tout de même qu'un accident, parce que le changement tarifaire était fait pour la formule de l'industrie moyenne, parce qu'il n'y a guère chez

nous de grandes industries; c'est l'industrie moyenne qu'on appelle grande industrie.

Or, cette législation faite pour la moyenne industrie, comment se fait-il qu'elle n'ait pas favorisé la grande industrie, mais qu'elle ait favorisé la petite industrie pour laquelle elle n'était pas faite; si ce n'est que la formule de la moyenne industrie est en elle-même une formule plus saine, plus adaptable à nos milieux?

M^{RE} ST-LAURENT: A part de sa recommandation générale de la décentralisation, est-ce que votre société aurait quelque recommandation particulière à soumettre quant à l'orientation que devraient prendre les lois sociales?

M. BASTIEN: La recommandation particulière mentionnée à différents endroits c'est que la législation sociale doit éviter d'amener les gens de la campagne à l'extérieur et à l'industrie.

M^{RE} ST-LAURENT: Est-ce que le progrès dans les conditions de vie de l'ouvrier en ville ne doit pas être plus rapide que l'augmentation de l'amélioration des conditions de vie à la campagne?

M. BASTIEN: Oui; on risque de vider les campagnes. Il ne faudrait pas envisager seulement la situation sociale de l'ouvrier des villes, mais il faudrait la faire marcher de pair avec l'amélioration des conditions de vie à la campagne.

M. LE PRESIDENT INTERIMAIRE: Il n'est pas besoin de dire que la Commission donnera toute son attention à un mémoire de cette importance. Je vous remercie aussi de la façon dont vous l'avez présenté.

M. LALONDE: Me serait-il permis à mon tour de remercier la Commission pour sa courtoisie et pour la patience qu'elle a eue à nous écouter aussi attentivement.

M. LE PRESIDENT INTERIMAIRE: Nous allons remplacer maintenant par des dames: la Ligue des Droits de la Femme. Qui va présenter le mémoire?

MADAME PIERRE F. CASGRAIN: Moi-même.

Monsieur le Président, messieurs; nous voulons vous remercier pour votre accueil très sympathique, et nous tâcherons de procéder aussi brièvement que possible, et ne pas perdre le temps de la Commission.

Nous regrettons vivement l'absence et la maladie du Président, et nous vous prions de lui présenter nos vœux pour une prompte guérison.

MRS. PIERRE F. CASGRAIN, President of the League for Women's Rights: Mr. Chairman and Gentlemen, you have before you a brief submitted by the League for Women's Rights, and prepared by Miss Elizabeth C. Monk who is here at my side, and who is a member of the League. I have also accompanying me Mrs. Leslie Hodges, who is one of our executive members, the Treasurer of our League.

" The League for Women's Rights is an undenominational organization of French-speaking and English-speaking women and affiliated societies, the object of which is to improve the status of women in general but primarily the status of women in the Province of Quebec, by obtaining for them equality of opportunity and rights in the political, the social and the economic field. Consequently, certain of the measures advocated by it are necessarily outside the scope of your inquiry.

The League, however, desires to draw your attention to the serious discrimination existing against women in the Province of Quebec as a result of the present division of powers and functions between the Dominion and the provincial governments and the present operation of governmental services. At present, women in the province of Quebec, although subjected to all the ordinary obligations of citizenship and in particular to the imposition of taxes on the same basis as men, are nevertheless excluded, by reason of their sex alone, from the enjoyment of certain benefits of citizenship and governmental services.

We have desired to make this memorandum a brief in fact as well as in name, not only because we appreciate that this Commission has reached a

stage where brevity must be an important recommendation, but because we feel that the points which we are submitting to your consideration do not need to be laboured.

The discrimination to which we draw attention might not at first sight have been considered within the scope of your inquiry but we believe that we have shown its relevancy and that the tremendous possibilities for injustice inherent in that discrimination will immediately present themselves to your minds as obvious facts calling for no special pleading.

One point we would stress at the outset. In presenting this brief we consider that it is quite unnecessary for us to indulge in any argument as to the merits of feminism as such, any more than we should discuss the respective merits of the French and English languages in any discussion relating to the constitutional protection of the French language granted by the B.N.A. Act.

We are faced with a "fait accompli"; for better, as we believe, or for worse, as some may still think, women have been admitted on an equal political footing with men and are recognized as equally entitled with men to the benefits of citizenship in every other part of Canada.

In the last seventy years, Canada has become a nation and a democratic nation. It is incompatible with that nationhood and with the principles of democracy that any one province should be entitled arbitrarily to restrict or to deny rights of citizenship to any group of citizens and when that group of citizens represents approximately 50 per cent of

the population the injustice is flagrant."

This discrimination operates both directly and indirectly and is constantly becoming more serious as the policy of the Dominion government, in so far as governmental services are concerned, tends more and more to the granting of subsidies which are then distributed or disbursed through the medium of provincial or municipal administrative bodies.

As examples of this tendency, we would cite the federal grant of 75 per cent towards old age pensions, and the grant made for unemployment relief either by way of direct relief or through such projects as "Youth Training".

So far no discrimination has been made in this province in the payment of old age pensions to men and women but when we consider the discriminations which have been made in the payment of relief, to which we refer in the following paragraph, it will be realized that there is always a danger of regulations being made for the administration of the Act which might discriminate against women despite the clear intention of the Dominion government that men and women should be on an equal footing as far as these pensions are concerned.

Broadly speaking, the basis of the various Unemployment Relief Acts has been to give assistance to all able bodied unemployed unable to secure work. In the City of Montreal both men and women are subjected to various regulations as to means and residential requirements which in individual cases may work great injustices but which at least apply equally to men and women."

Lately, since the last month of May, I believe there has been discrimination which applies not only to Montreal but at large to the province, on the matter of the distribution of relief.

" Last May when the Montreal Unemployment Relief Commission set out to prune down its relief lists, it introduced, in addition to residential and means requirements, various regulations which applied to women only and not to men and this although municipalities such as, for example, the City of Ottawa, have considered that relief regulations with regard to women should be more elastic because they require a greater degree of protection than do single men."

And I might here quote, if you will allow me, a report that was given by one of our social agencies. They say:

" And now we come to the difficulties experienced by a group, which has no voting powers for its defence in this province -- the unemployed women. In the early summer of 1937, it was decided that in Montreal women could not be regarded as breadwinners, and, therefore, could not be accepted for Unemployment Relief, when they were in need because they could secure no work. Widows eligible under the Needy Mothers Assistance Act were refused relief, on the grounds that they could not be eligible for Unemployment Relief if they were eligible under the other Government Scheme -- this although the Act was not in operation. Women who had illegitimate children dependent upon them for support, were also cut off relief, although they are not even eligible under the Needy Mothers' Assistance Act. Deserted

and separated women and their families were refused also, on the grounds that their husbands should support them. Often these men had been missing for years, and if located were unable to support. All single women were to be refused as they should return to their parents for maintenance, even if their parents were living in another province and dependent on the Old Age Pension."

And the report goes on:

"These desperate women flocked into our offices. Thus the following classes of women were excluded by the City of Montreal:

A married woman whose husband was

- (a) in a lunatic asylum,
- (b) in jail,
- (c) suffering from incurable illness,
- (d) in hospital with temporary illness,
- (e) out of town looking for work.

Also this one: A married woman deserted by or separated from her husband (unless she could produce a copy of the judgment showing that she had not been awarded any alimentary allowance; if she had been awarded such an allowance, the fact that she was unable to collect it from her husband was absolutely immaterial). Still this category is off relief.

A widow with small children (in this case she was supposed to come under the Needy Mothers' Assistance Act (1 Geo. Vi, Quebec, c. 81) which officially came into force on the 14th of April, 1937, but which is not actually in operation as the necessary appropriation of funds has not been made.

An unmarried mother."

And besides, as Miss Monk points out, the small field

and the limitations of the Needy Mothers' Assistance Act is also detrimental, because I believe it is certainly not as large as it is in other provinces -- in Ontario for instance.

" After numerous representations by different social agencies certain of these categories were again replaced on the Montreal relief lists but the women in the categories enumerated above as I (d), I (e), II, III and IV are still not officially accepted on these lists. In this way, citizens are deprived of federal relief moneys by the mere accident of sex.

It is clear that the disfranchisement of women in the Province of Quebec has been an important factor in allowing such discriminatory measures to be adopted against women.

Although it might be thought at first sight that, apart from discriminations in the allotment of federal funds, this disfranchisement was purely a local matter, a closer examination of the subject and of the facts brought out by The Royal Commission on Price Spreads and the Royal Commission on the Textile Industry shows that the disfranchisement of women in Quebec, with its obvious repercussions in the economic field, is in reality a matter affecting not only the economic life of the whole Dominion but even the national health as will appear by the statistics hereafter referred to.

Not only are women wage-earners in this province paid less for corresponding work than men are paid but they are also paid lower wages than women wage-earners in other provinces receive for corresponding work. The low wages paid to women workers in Quebec inevitably bring down the rate of wages paid to men. As a

result, we have first of all a lower standard of wages generally in the province of Quebec than in other provinces, this in turn entails a lower standard of living which affects our whole social structure throughout the province; finally conditions in Quebec in time make themselves felt throughout the Dominion.

This is exemplified by the two following quotations from the report of The Royal Commission on Price Spreads:

' The record was as usual worse in Quebec than in Ontario' (p. 119).

' The generally lower wage rates and longer hours in Quebec are making it impossible to maintain the higher levels in Ontario'. (p.139), and by the following quotation from the report of the Royal Commission on the Textile Industry:

' It appears, therefore, that, so far as males are concerned, textile manufacturing in Canada, compared with other manufacturing industries is a relatively low-wage industry. It has been a common feature in all industrial countries that those industries with a large proportion of female workers tend to have lower wages than those in which the preponderant proportion of workers are males'. (Page 157).

"11. We do not wish to encumber this report with statistics but we would give the following references where the foregoing statements may be checked:

(a) REPORT OF THE ROYAL COMMISSION ON PRICE SPREADS."

You will find references here to the report of the Royal Commission on the textile industry, pages 286 to 304. These tables, attached as an appendix to this brief are based on the 1931 census.

"These tables, based on the 1931 census, have been supplied by the courtesy of the Department of Social Research of McGill University and show the comparison, by provinces, of money earnings of female workers and the wages of female wage earners in Quebec as compared with other provinces, on the basis of selected occupations and occupational groups.

It will be noted from these tables that there are occasional instances in which wage scales in the Maritimes are below those of Quebec. This we believe is due to living conditions in these more rural districts.

12. The same conditions apply in the professional field although there it is more difficult to obtain statistics and the statistics themselves are sometimes misleading. Certain figures might however be given for the teaching profession which claims the largest number of professional women gainfully employed. The following information has been supplied to us by the president of the Provincial Association of Protestant Teachers of Quebec and applies to

"Protestant schools only:

In Quebec rural elementary schools, men and women teachers are paid approximately the same salaries, but in elementary schools in the city of Montreal women teachers begin at \$950. and men at \$1,300, with a maximum of \$1,700. for women and \$2,000. for men.

(In Toronto elementary schools, taken as a basis of comparison, the minimum is \$1,000. and the maximum \$2,400.)

Under the Montreal Protestant Central School Board women principals are only appointed in the smaller elementary schools and the maximum salary is limited to \$2,100, whereas in the larger elementary schools, to which men principals only are appointed, the maximum salary is \$4,200.

In high schools in the city of Montreal men and women teachers begin at an initial salary of \$1,500 . but the maximum salary for women is \$2,500, while that for men is \$3,900.

Notwithstanding the great number of women teachers, there is only one woman in a superior position in the provincial Protestant educational system (the supervisor of French in English schools) and in the district of Montreal women supervisors are paid a maximum of \$2,500, while the maximum for men is \$4,200.

The average annual salaries of school teachers by provinces given in the 1937 Canada Year Book (Page 965) is not a satisfactory basis of comparison, since the teachers in the different provinces are classified differently. For instance, the apparently high average of Protestant

"school teachers in Quebec on that table is due to the fact that no separate classification has been made for high school or elementary, urban or rural teachers. It will be noted however that the average for Catholic teachers of both sexes in the Province of Quebec is much lower than that in any other province."

I might say that in the elementary schools , the average male teacher starts at \$1,320--no, that is the general average, they do not start at that point.

In the country, it is \$497. A female teacher gets, in the cities, \$555 and in the country, \$209. In the higher grades of teaching in the city, a male teacher receives \$1,571, while in the rural areas he receives \$691. A female teacher in the cities receives \$755. and in the rural districts, \$242. These figures come from the report of the Superintendent of Education for the province of Quebec and are given for the years 1936-37.

"13. If we turn to the question of vital statistics, we find very serious evidences of the results of the lower standard of living in the province of Quebec to which we have referred. the following figures are taken from the Canada Year Book for 1937:

From 1926 to 1935, the infant death rate in the province of Quebec has been higher than that in any other province, averaging from 127 to 92 per 1,000 live births. During this period, the highest figure reached by any other province, and this only on one occasion, was 101; the lowest was 43(page 181).

" If we look at the table on page 184 of the Year Book giving the death rate of children under one year in cities and towns of 10,000 and over, we find that for the year 1935 eight cities in Canada had a death rate of over 100 per 1,000 live births and of these seven are cities in the province of Quebec. With the exception of two of these cities, the figure varies from 101 to 112; for two cities however, both in the province of Quebec, the rate is 153 to 222 respectively.

In the table of fifty-four cities of the world given on page 186, the only cities among those given which are over the 200 mark are Madras and Bombay.

It would seem that an infant death rate as high as this might well justify the federal authorities in looking upon this as a matter of national concern calling for a campaign of education and preventive measures under the Department of National Health.

14. We might here mention the distribution of grants for "youth training" to which we have already referred. The Dominion government has made a grant for this purpose to the province of Quebec of \$220,000.00, of which an allocation of \$25,000.00 was obtained, but only with great difficulty, for the training of young women as household workers. In the province of Ontario, the amount allotted for the training of young women was over twice this amount.

15. It is submitted that the Dominion government is never justified in using federal funds raised by taxes imposed on men and women alike

"to subsidize governmental services administered by provincial authorities unless it is assured that there will be no discrimination against women taxpayers in the use to which the subsidies are put.

16. What we might term the delegation of the administration of governmental services by the Dominion government to the provinces has a further disadvantage for women in Quebec in that they are in fact, if not necessarily in theory, excluded from all representation on the administrative authority. As an illustration we might mention that there is no woman member on the Quebec Old Age Pensions Commission nor is there any woman in any executive position in any of the employment offices towards the maintenance of which sums are granted under the provisions of the Employment Offices Coordination Act (Revised Statutes of Canada, 1927, chapter 57.)

17. As we have stated, the general handicap imposed on women in the province of Quebec is apparent in the professional as well as in the industrial world and in one respect imposes certain restrictions on the Dominion government itself. The province of Quebec is the only province in the Dominion of Canada in which women are excluded from the practice of law, both as advocates and as notaries, and for this reason should the federal authorities at any time desire to appoint women judges or to make any government appointment for which membership in the

"Bar would be a necessary qualification, it would be powerless to make any such appointment in the province of Quebec and powerless to give to a whole class of citizens in the province of Quebec the recognition to which it is entitled.

18. Again the practical result of excluding women from all public appointments in the Province of Quebec, even from such bodies as the Women's Minimum Wage Commission (while it existed), the Fair Wage Board, the Board of Censors of Moving Pictures and all school boards, has been to exclude Quebec women from any important federal appointment. Thus all appointments of women to the Senate or to federal commissions have so far been made from provinces other than the province of Quebec.

19. Since we recognize clearly that it would be contrary to the basis of Confederation to infringe upon the civil law of Quebec as contained in the Civil Code, we would stress the fact that the disabilities imposed upon the women of Quebec to which we have drawn attention and the discriminations against which we have protested arise from statutory provisions which are not in reality part of the civil law. Accordingly, the recommendations which we make do not in any way ~~run~~ counter to the principles of civil law as contained in the Civil Code.

20. Since women in the province of Quebec are required, notwithstanding the disabilities and the discriminations against them, to pay both federal or provincial taxes on the same basis as men, they are even more interested than men tax-

"payers in any reallocation of revenue sources or any increased taxation which may be made as a result of the investigations carried out by this Commission. Thus, if further taxing powers are granted to the provincial legislatures, the incidence of taxation on women in the province of Quebec will be greatly increased. Unless some control over the taxing authority is given them, they will continue, though paying increased taxes, to be subjected to the various discriminations which are made against them as a direct result of their vote-less condition. It must be recognized therefore that any extension of taxing powers which does not assure such control will subject women as a class in the province of Quebec to discriminations and disabilities from which they are free in all other sections of the Confederation.

21. If, on the other hand, the Dominion government decides to make greater use of its present powers of taxation, this will be done presumably to enable it to provide greater governmental services. Unless these governmental services are administered directly by the federal authority on the principle of equality of treatment for all citizens regardless of sex, women in Quebec will be subjected to further discriminations of the type to which we have referred when discussing the distribution of relief funds. In other words, if the Dominion government does not administer these governmental services directly, it will permit, indirectly, discrimination against women in Quebec which it would not presumably

"authorize directly. In this connection we would point out that the Dominion government has in fact put itself on record as recognizing the principle of equality. In a memorandum dated January 10th, 1938, submitted by it to the Assembly of the League of Nations, we find this statement:--'Canada has to a large extent given effect to the principle of equality of status as between men and women.'

We therefore recommend that in order to prevent discrimination against women taxpayers and to give effect throughout Canada to the principle of the equality of status of men and women as recognized by all the leading democratic countries of the world, a clause be inserted in the following or similar terms in the B.N.A. Act:--

"No law of Canada or of any province thereof shall disqualify any person by reason of sex from the exercise of any political rights or public function, or from being appointed to or holding any civil or judicial office or post, or from entering or assuming or carrying on any civil profession or vocation.'

This wording follows closely that of the Sex Disqualification (Removal) Acts which have been already adopted in Great Britain, in Alberta and in British Columbia, copies of which are appended hereto.

Respectfully submitted,
THE LEAGUE FOR WOMEN'S RIGHTS
Therese F. Casgrain,
President."

I would ask Miss Monk to make a few remarks at this point.

MISS MONK: There are one or two points in this brief upon which we might enlarge merely as matters which might be of interest to this commission. We might perhaps point out that among the other anomalies which face the women in this province is the one which makes a woman eligible for appointment to the Council. Under The B.N.A. Act there is a provision, identical with the one which makes provision for the appointment of women to the Senate, which provides for the appointment of women to the council in the province of Quebec. We do not anticipate that a woman will be appointed to the council in the very near future, but it certainly is an anomaly, that women are permitted to sit in the Upper House in the Province of Quebec and not in the Lower House.

THE ACTING CHAIRMAN: There is a provision existing in the British North America Act which provides for the appointment of women to the Legislative Council in Quebec.

MISS MONK: We are not suggesting that this Commission should interfere in the domestic affairs of the province of Quebec. The basis of our suggestion is, as you noticed, an amendment to the British North America Act. Such an amendment could be reached on a basis of compromise. We feel that if the federal Government is sufficiently interested in the welfare of its women citizens in the province of Quebec, it will make such a compromise as may be necessary. I was very much interested in one of the quotations which were given. I suppose one quotes Mr. Gladstone in England and in Canada, one quotes Sir John A. MacDonald. Mr. Lalonde quoted this from a speech of Sir John A. MacDonald's:

"We have a constitution now under which all British subjects are in a position of absolute equality, having equal rights of every kind."

I think that if the federal government is prepared to give us what we consider the legitimate claims of the women of the province of Quebec, as I said a moment ago, I think the federal government could attain its objective by compromise. Concessions will always have to be made, one way or another, if the federal government is prepared to protect one of its greatest assets. It all depends on the, "Bonne Entente."

I think, perhaps, there is one more point which we might elaborate a little more, and that is the reference which was made to the Needy Mother's Assistance Act. This assistance is of a very limited scope in the province of Quebec. It refers only to a woman who is under 16 years of age, having two children and whose husband is actually in the asylum. It does not cover the case of the woman whose husband lies paralysed in the house, but, who from love, keeps her children at home with her. Even if he is physically paralysed or handicapped in some manner and cannot be put into an asylum, that woman is not entitled to relief under the Act.

We have referred also to the fact to the lower wage scales paid to the women in the province of Quebec. This has many ramifications which are, perhaps, not noticed at first glance. In the first place the Statistics in the Canada Year Book for the year 1937, at page 130, show that the province of Quebec has a higher proportion of women workers than the other provinces. If the women workers are badly paid, it does not only mean that the women workers are obliged to follow a lower standard of living, but it means that all those dependant upon that

woman are forced to adopt that same lower standard. Of course, it is rather a common fallacy that the woman worker has no one dependant upon her for support. For this reason, I would like to give some statistics which we have received since this brief was prepared. There has recently been a survey made in the United States by an International Organization, known as the Business and Professional Women's Union or Organization. A survey of the United States by that Organization showed that of the members of that Association in the United States, 55 per cent contributed to the support of dependants. The same association, the Canadian Association made a survey in Canada of some 3,000 women, and took this as representative of the women throughout Canada. Of that 3,000 the returns showed that 22 per cent were the sole support of dependants, 27 per cent contributed to the support of dependants and 63 per cent had financial obligations other than their own. By that is meant that they were perhaps not under any legal obligation to contribute to the support of the person, but they assumed a moral obligation. Some were providing funds for the education of a nephew or something like that. The final result was that of this number of women, only 15 per cent used their earnings for their own maintenance alone. I think that is a very important aspect, because it shows we have this large group of dependants whose standard of living is necessarily lowered because they are dependent for their support on the women wage-earners.

In England a somewhat similar survey was made a few years ago. I am sorry that I am unable to find the exact figures. The same figures were apparent in the civil service in England amongst the women who had been working more than twenty years. I am giving you the maximum figures.

It was found that 85 per cent of these women were supporting dependent relations. There was a similar survey made of the men and there was a surprisingly low number of men who were in the same position. The only example which was given in this brief for professional women was that of women teachers. We have been informed by the members of the librarians association and by members of the dietitians association, that the same situation is apparent in these two professional groups. It was apparent that women holding the post of librarian or dietitian in the province of Quebec were paid a lower salary than those holding corresponding positions in Ontario. Ontario forms a real basis of comparison for the province of Quebec as it is a highly industrialized province, such as the province of Quebec is.

We have collected these vital statistics not only because they were so horrifying but because we consider they are really the result of the lowered standard of living in the Province of Quebec, and also because it is part of our thesis, and it has been proved by legislation in other countries, that in countries in which women have the vote immediately a great deal of attention is given to questions like these, and social questions immediately come into prominence. An examination of the statutes enacted in England in the years after women were given the vote shows that there was immediately an increasing proportion of statutes dealing with social questions.

Madame Casgrain has already referred to the allotment of moneys under the Youth Welfare Plan, and has pointed out it was with great difficulty that the women of the Province of Quebec were able to get a promise of \$25,000. from the Federal funds, and I may say that the women who are interested in these schemes have been very uneasy because they have never been quite certain as to how long the money was going to be forthcoming. At the present time, I understand, one group has been promised that funds will be continued only until the first of July next, and that even although the allocation has not been used up. In the copy of the contract which we have, the agreement entered into between the Government and the Province of Quebec, in the schedules in which the allotment is made up, in Schedule D. covering vocational training courses there is a maximum Dominion contribution of \$55,000. It was certainly the intention there should be vocational guidance and occupational training for women. In the leisure activities there is a maximum allowance of \$15,000. for that object alone, and although apparently the Federal Government has recognized the

necessity of leisure time in the vocational training course which is being given to domestic workers in Montreal, the Government has insisted that anything which might be considered in the nature of a luxury, such as health talks and swimming lessons, should be cut out. The Government has refused to allow them to use any funds for that purpose. Then there was also a special allocation of \$25,000. for women's courses, so that it was clearly the object of the Federal Government that women should be brought in under at least three of these schedules, with fairly large grants. As we have said, only \$25,000. of the Federal funds has been guaranteed, and that for social workers only. The figures are not official, but we understand the position is that half as many women as men are actually enrolled, and yet so far that very small figure of \$25,000. out of \$220,000. has been allotted to those women.

I do not think there is anything more I should say, except I would perhaps like to explain the statement on page 10 of our report, which might seem to somewhat minimize the statement which the Federal Government has made in its memorandum submitted to the Assembly of the League of Nations, to the effect that "Canada has to a large extent given effect to the principle of equality of status as between men and women". I may say that the reason they had to limit this statement saying only, "to a large extent" was that that memorandum submitted covered not only political rights, with which we are dealing, but political and civil rights, and therefore there were certain exceptions made because of several civil disabilities to which women in the Province of Quebec were subject. That, of course, has nothing to do with this Commission, but that was why the Government could not state further than "to a large extent". But Senator Dandurand used the word "virt-

ually" and said that Canada had virtually admitted it. Of course, he could not go further than that.

MRS. CASGRAIN: I would like to add a few closing remarks, if I may, for the enlightenment of the body sitting. I would like to explain that the League for Women's Rights functions without regard to creed, nationality, or politics. We have the common good at heart, the women of Canada, Canada first, and we would like to say that we are not trying to force any amendment to the B.N.A. Act, and would ask for your kind consideration in view of the fact that we are very sincere. Thank you.

THE ACTING CHAIRMAN: Of course, there are quite a number of your proposals which are outside the scope of our enquiry.

COMMISSIONER ANGUS: With respect to these subjects, a good many of the submissions to the Commission have suggested that it might be desirable if the powers of the Dominion Government were wider than they are in the matter of fixing minimum wages, and as to the condition of workers, and so on. It is obvious that such a change would affect some of the matters referred to in the brief which has been presented. What would be the attitude of the League in that respect?

MRS. CASGRAIN: You mean under that, extension of powers to the Federal Government?

COMMISSIONER ANGUS: Yes.

MRS. CASGRAIN: I do not think I would have the right to state any opinion of the League, but the only thing the League has been working to obtain is the human point of view and anything that would help to better living conditions, to raise wages, and whether it would be provincial, federal, or municipal, we are not interested. We are simply looking at the facts and we think the most import-

ant thing is to better human conditions, and what Miss Monk was saying was brought still stronger to my attention when reading a newspaper last week. It was stated that in the last few years the infant mortality had been reduced, but that lately it had been going up again, probably due to such terrible conditions. All social workers - I have seen them here in Quebec and in Montreal - are terribly perturbed about the whole social aspect of the question, and we feel very strongly about it. If you have no power behind your demands you cannot get very far, and that is why we are insisting very much on this point.

BY MR. ST. LAURENT: There is one point in the brief on which Miss Monk perhaps will give us some enlightenment; this statement in the insert of the first page, "in the last seventy years, Canada has become a nation and a democratic nation. It is incompatible with that nationhood and with the principles of democracy that any one province should be entitled arbitrarily to restrict or to deny rights of citizenship to any group of citizens". We still have to admit, have we not, that it is within the jurisdiction of the provinces to restrict the rights of citizenship, and one very marked illustration of that is the upholding of the British Columbia legislation dealing with the franchise to Orientals? A. Perhaps there is a question as to whether you are looking at this matter from the standpoint of the principles of right or the principles which may be interpreted strictly by a court of law. I was rather amused when down here the other day, at the practice followed of quoting precedents, and I was rather interested in reading an extract from the brief submitted by the Edmonton Chamber of Commerce, which we feel that if we wished to change their wording of "rights of speech" and say "rights of citizenship" that we could adopt their wording, where they say

say:

"It is inconceivable that Canada could exist for long as a strong and united Dominion if one or more of its provinces were to restrict substantially such fundamental rights of Canadian citizenship as these. Every citizen of Canada, in whatever province he may reside, has certain responsibilities under his Dominion citizenship. These require, broadly speaking, an approximate uniformity of fundamental liberties throughout the Dominion.

If, for example, freedom of speech or assembly were to be suppressed in one province, the citizens thereof would be unable to exercise properly and adequately their functions as citizens of Canada. It seems impossible that one part of Canada should have freedom in this respect while another part is subject to restrictions which, if carried to an extreme, might represent an approach to vassalage.

It may be argued that there is no possibility of such a development. That would have seemed so when the Fathers of Confederation were in conference, but during the past twenty-five years there have been movements, both within Canada and in other countries, that have made it less certain that under the Constitution as it stands to-day there could be no encroachment on fundamental liberties in Canada."

But the whole basis of this is not perhaps what the Courts have interpreted the B.N.A. Act to mean, but I take it that this Commission has been appointed because the Governments are not satisfied with the interpretation which has been placed upon the B.N.A. Act in the past both by the Judicial Committee and by our own courts. But we are getting back to fundamental principles.

Q. But you would agree that this would require an amendment of the present Act in order to permit the Federal authorities to exercise any legislative jurisdiction in respect of it?

MISS MONK: Yes, certainly.

MRS. CASGRAIN: I think the American Constitution was amended and said that no person would be deprived of their citizenship by reason of sex. We do not wish to confer citizenship upon anybody at all, but this is just a little different angle of the question.

Q. Now, with respect to the discrimination in wages paid; it is true, is it not, that there is no distinction with respect to sex made in the last ordinance of the Fair Wage Board with respect to minimum wages?

MISS MONK: Yes, that is perfectly true.

Q. That ordinance, of course, has not yet come into force, but was promulgated on the 30th of April to take effect on the 15th of May?

MISS MONK: Yes. Of course, it does not cover that provision as yet.

Q. And even with respect to the teaching profession it provides that the same minimum will apply?

MISS MONK: Yes.

Q. That would not necessarily mean there would not be some difference between teacher and teacher and perhaps between a teacher of one sex and a teacher of the opposite sex, but the minimum is fixed at some rate?

MISS MONK: \$300.00 a year.

Q. Then infant mortality vital statistics, is it the submission of your League that recently there has been an increase?

MRS. CASGRAIN: I have seen it in newspapers and I have heard it from social workers.

Q. We had hoped that there was constant improvement in these conditions?

MRS. CASGRAIN: There has been in the last six years marked progress although it is still very high, but in the newspaper I was reading just last week, I think it was, unfortunately it had gone up again, and social workers have told us of conditions where some mothers were so weak from lack of proper food or proper care that evidently they gave birth to children who were very frail, and unfortunately circumstances made it so that it had made the mortality rate go up.

Q. We were told in Toronto recently that the provincial government was enforcing pasteurization of milk throughout the whole province. Has the league any opinion as to the possibility of a similar measure in the province of Quebec, or has the question been considered?

MRS. CASGRAIN: We have not considered it yet.

MISS MONK: I do not think that would be of much assistance to the class of people who are suffering from infant mortality because in one of the reports which I read recently by one of the welfare workers, there was a family which had not seen a quart of milk for two years, so that I am afraid that we are dealing with the type of people to whom unless we can have a free distribution of milk, the pasteurization of milk would be of very small benefit.

THE ACTING CHAIRMAN: Thank you. This brief will be marked Exhibit No. 345.

MRS. CASGRAIN: Thank you very much for your courtesy in hearing us.

EXHIBIT No. 345.

Brief of the
League for Women's
Rights.

THE ACTING CHAIRMAN: The Commission will adjourn until three p.m.

THE ACTING CHAIRMAN: We will hear the property owners of Montreal.

We must apologize for being late. It is the first time that we were late but we had orders from the Governor. We are prepared to hear you now, sir.

M. SAUVE: Monsieur le président, messieurs,

L'honorable Alfred Leduc, président de la Ligue des Propriétaires de Montréal, qui devait présenter ce rapport à votre Commission, s'est trouvé dans l'impossibilité de le faire, et il m'a prié de le faire pour lui.

Nous avons appris avec regret la maladie du président de cette Commission, l'honorable M. Rowell et, au nom des membres de la Ligue des Propriétaires de Montréal, monsieur de le président, permettez-moi m'associer aux différents autres corps publics pour exprimer les vœux que nous faisons pour son prompt rétablissement.

"Messieurs de la Commission Rowell,

"La ligue des propriétaires de Montréal n'a pas la prétention d'offrir aux membres de votre comité un projet apte à résoudre, de façon décisive, les problèmes complexes qui font l'objet de la présente enquête. Elle est bien aise, cependant, de collaborer dans la plus large mesure possible, avec les associations similaires du Canada à l'étude des questions administratives auxquelles les événements actuels confèrent une singulière importance. Si sa modeste contribution peut aider à orienter la discussion vers une saine politique de coopération visant à réaliser l'unité d'action ou à éveiller de salutaires initiatives, notre organisme aura la conviction d'avoir accompli une oeuvre éminemment utile.

"La ligue des propriétaires de Montréal est une

association professionnelle dont les membres au nombre d'environ 5000 sont recrutés parmi les contribuables possédant des biens immobiliers disséminés dans tous les secteurs de la cité de Montréal. Ceux-ci sont des citoyens pondérés animés du désir fort légitime de conserver et d'accroître leur capital tout en participant à la création d'un revenu public satisfaisant aux exigences du milieu géographique.

"Les vues que nous vous soumettons aujourd'hui ne représentent pas une opinion appuyée sur des faits exceptionnels. Bien au contraire, elles traduisent le résultat d'une expérience collective à la fois diversifiée et représentative. Dès lors, les recommandations exprimées en conclusion du rapport s'inspirent de jugements raisonnables et par là même, elles commandent la considération.

"PRELIMINAIRES

"Les économistes s'accordent à reconnaître que la propriété immobilière mérite la primauté dans l'économie moderne. C'est le fondement de la richesse nationale en même temps que la source principale du revenu public. Au point de vue social, la possession d'un foyer est un facteur de paix, un élément de sécurité personnelle indiscutable. Bref, la propriété est considérée comme un rempart contre l'infiltration des forces d'effritement de la société.

"Les gouvernements semblent avoir compris le rôle stabilisateur de la propriété puisqu'ils ont adopté, à différentes reprises, des lois particulières dans le but d'inciter les locataires à devenir propriétaires. Malgré cela, la situation immobilière est si précaire que le privilège de posséder sa maison devient un luxe onéreux. Dans ces conditions, même

ceux qui auraient l'ambition de s'établir à demeure préfèrent placer leurs épargnes ailleurs, car il est moins coûteux de payer un loyer que d'accepter les risques et les frais exorbitants d'une habitation.

"De fait, le nombre des propriétaires appauvris, incapables de faire face à leurs obligations, atteint des proportions de plus en plus élevées. Est-ce à dire que l'immeuble n'offre plus aucun intérêt? Dans l'affirmative, à quelle cause spécifique doit-on imputer ce renversement radical des valeurs?

"La réponse à ces questions est simple. L'immeuble souffre de deux maux aussi déprimants l'un que l'autre. D'abord, il est surtaxé, puis le prix du loyer a fléchi considérablement depuis la crise. Donc, accroissement de l'impôt foncier coïncidant avec une diminution du revenu.

"La situation immobilière.

"Voilà comment s'explique en deux mots la crise de l'immeuble. A vrai dire, il y a peu de domaines d'activité où la situation soit plus alarmante. Le propriétaire est dépossédé pour non paiement des taxes, la construction est dans le marasme et la main d'oeuvre se déprime. Tous les rouages de la vie matérielle gravitant autour de l'axe immobilier sont paralysés par l'arrêt de la construction. Pendant ce temps, les dépenses publiques augmentent en raison proportionnelle au désarroi social, de sorte que le déséquilibre économique va en s'accroissant au fur et à mesure que le chômage entretenu se prolonge.

"Le capital se désintéresse.

"Dans l'intervalle, le capital se désintéresse avec raison de l'industrie du bâtiment, ce qui porte

préjudice aux entreprises connexes ainsi qu'aux métiers manuels. Il en est résulté une contraction énorme dans le pouvoir d'achat des masses populaires entraînant un abaissement correspondant de la production industrielle; en un mot, un détraquement de la machine économique. On objectera, sans doute, que cette situation défavorable n'est pas un phénomène continental mais bien universel. D'accord, mais qui mieux que le propriétaire est plus à même de le comprendre et d'y remédier?

"Une autorité en la matière, monsieur John McC. Mowbray, président de la Roland Park Co. et du comité de l'habitation de l'association nationale des agents d'immeubles des Etats-Unis, exprimait une opinion très juste à ce sujet au congrès des chambres de construction qui se réunissait à Washington au mois de novembre 1937:

"I am convinced that the interest of all who are affected by real estate - its prosperity and its failure - can best be served by fighting for this progress. If the cost of shelter continues to be high due to unreasonable taxes and excessive interest rates, government will surely and slowly take over the supervision of the mass housing field, which is, of course, the major part of the industry. Manufacturers and other business interests involved in the construction industry, in so far as it devotes itself to houses, will find their prices for materials and equipment established for them by government action."

"Une richesse surtaxée et avilie.

"Il n'y a pas à le nier, la propriété urbaine

devient de plus en plus une richesse surtaxée, partant avilie, et par surcroît menacée de destruction sous le fardeau des impôts. Voilà un fait psychologique patent dont les conséquences néfastes sont incontestables. Certes, il ne s'agit pas de dépeindre sous un jour sombre la déchéance du propriétaire pressuré, souvent acculé à la faillite financière. Le patrimoine péniblement acquis au prix de labeurs constants constituait une part assez importante de l'actif des classes moyennes. Sa disparition entraîne l'insécurité sociale, la détresse morale et la crainte de l'avenir. Les propriétaires seraient prêts, pour la plupart, à abandonner leur revenu durant plusieurs années s'ils avaient la certitude qu'un jour, l'équilibre serait rétabli. Mais voilà, cette certitude n'existe pas, vu qu'aucun projet de redressement vraiment efficace n'a été mis à l'essai.

"Taxe foncière inéquitable.

"Or, le moins qu'on puisse dire, c'est qu'une taxe foncière devient inéquitable du moment qu'elle absorbe en entier le revenu net de la location, dans un cas normal. Assez souvent, aussi, comme l'on sait, les encaissements de l'année ne couvrent même pas les frais d'ensemble. Ca se présente non seulement dans les quartiers de la métropole où l'habitation a perdu de la valeur par le simple jeu des lois ordinaires de progrès urbain, tel que déplacement du centre commercial, migration vers l'ouest et le nord, mais le phénomène se produit ailleurs également, sur les périphéries, dans les sections relativement neuves, là où l'habitation est recherchée. Toutes les catégories d'immeubles ont subi une dépréciation; les conciergeries et les immeubles à bureaux ne ren-

contrent pas l'intérêt sur leurs obligations. Aux déficits ordinaires s'ajoutent les pertes de loyer inhérents au chômage, puis l'insécurité de la perception dans les arrondissements ouvriers.

"La ligue déplore.

"Nous sommes prêts à faire la part des choses. On a parfois tendance à placer sur le compte des événements les erreurs de jugement et la spéculation. Nous concédons volontiers, du reste, qu'il y a eu dans ce domaine des abus, de l'incompétence administrative, des échanges malheureux. Tout ça est bel et bien admis. Nous n'irons pas jusqu'à dire, non plus, que la ruine guette tous les propriétaires de Montréal. Ce que la ligue des propriétaires de Montréal déplore, de concert avec d'autres associations, c'est

a/ que le rythme d'accroissement de la taxe foncière finit ou finira par excéder la faculté de gain de l'immeuble;

b/ qu'à l'heure actuelle l'immeuble déficitaire tend à devenir la généralité;

c/ que, dans ces conditions, l'impôt foncier s'achemine vers la confiscation du capital.

"Que veut l'immeuble.

"Examinons la situation sous son aspect le plus pratique, à l'aide des principes économiques couramment acceptés. L'immeuble devrait être considéré à la fois comme

1/ Un placement avantageux;

2/ Une mise de fonds productrice de capital additionnel;

3/ Un facteur de progrès collectif, car les deux premières conditions étant remplies, l'initiative

privée trouvera intérêt à activer la construction. Or, l'on connaît le dicton populaire "quand la construction est active, tout va bien".

"Expérience déprimante.

"L'expérience des quelque dix dernières années est assez concluante pour ouvrir les yeux. Comme

1/ placement, l'immeuble rapporte moins, en général, que l'obligation de tout repos ou toute autre forme de valeur. En vérité, le taux d'intérêt sur l'hypothèque est plus élevé, dans l'ensemble, que le rendement de la propriété qui en constitue le gage. On pourrait dire que les véritables propriétaires sont les créanciers hypothécaires;

2/ La mise de fonds dans l'entreprise commerciale et industrielle est supposée prendre au cours des années une plus-value raisonnable en compensation du risque assumé. C'est dans l'ordre. Censément, la propriété devrait offrir des avantages identiques. Autrement, le capital s'engage, de préférence, vers les marchés plus rémunérateurs, comme la chose se produit en ce moment.

3/ L'industrie de la construction alimente, en totalité ou en partie, une foule d'industries connexes dont les ramifications s'étendent aux sphères les plus diverses de la vie économique. L'activité dans ce domaine est conditionnée par les deux autres facteurs précédemment analysés. Pas de construction sans bénéfices assurés. Alors, comment réaliser un profit quand il y a pénurie d'acheteurs? Tout s'enchaîne. Rendons d'abord la propriété intéressante, et le reste suivra naturellement.

"Asservissement déplorable.

"L'asservissement de l'immeuble dépend de deux

causes principales: augmentation exagérée de l'impôt jointe à une diminution de revenu. D'après des calculs dignes de foi, le revenu de la propriété s'est abaissé de 30% à 50% depuis 10 ans, tandis que les charges foncières ont subi une hausse considérable durant la même période par l'addition de surtaxes, de taxes spéciales et autres frais de service. L'impôt, déjà élevé, en temps normal, devient hors de proportion avec le revenu dans les conditions posées par la crise. Les chiffres suivants illustrent la situation.

Etat des recettes et déboursés de propriétés
à 11 logements bâties sur un terrain de 50 x 80
pieds et situées dans une section ouvrières,
à Côte Saint-Paul.

Achat de terrain \$ 1,500.00

Coût de construction 22,500.00

Charges:

Trottoirs \$ 325.00

Egoûts 165.00

Pavages 1,452.00 1,942.00

Total \$25,942.00

Revenu 1926 \$ 2,916.00

Revenu 1937 1,896.00

Diminution:

Totale 1,020.00

Pourcentage 35%

Taxes 1926 \$ 297.00

Taxes 1937 336.00

Augmentation:

Totale \$ 39.00

Pourcentage 13%

ADMINISTRATION :

Intérêt sur hypothèque, \$8,000.00 à 6½% . .	\$520.00
Intérêt sur placement, \$17,942.00 à 5% . . .	897.00
Entretien . . . . .	.300.00
Dépréciation 2½% sur \$22,500.00	<u>.562.00</u>
	\$2,279.00

Déficit, sans compter les pertes de
loyers et les frais d'administration: \$ 383.00

M. SAUVE: Par le temps qui court, à Montréal, nous subissons une perte considérable de loyers, dû au chômage. Nous savons qu'il y a une moyenne de 30,000 à 40,000 familles sur le chômage, et nous recevons, sur le coût d'administration de la propriété un montant de 30% à 50% de la valeur d'administration de la propriété.

"Le même propriétaire rapporte les faits suivants:

"Quatre terrains vacants, achetés en 1931, au coût de \$1200.00. Les comptes reçus de la ville depuis cette date pour défrayer les améliorations locales telles qu'égouts, expropriations, trottoirs, pavages, s'élèvent à \$3000.00."

M. SAUVE : Monsieur le président, messieurs;

A la page 13 - ceci s'explique que ce soit à la page 13, puisque nous sommes aujourd'hui un vendredi le 13 - le mauvais destin a voulu que des erreurs d'impression de ce mémoire se glisse^{nt} à la page 13. Ce sont des erreurs d'impression que nous verrons à faire corriger dès notre retour à Montréal. Nous vous demandons de ne pas considérer cette page comme faisant partie de notre mémoire. Dès que les corrections auront été faites, nous vous en ferons parvenir des copies corrigées.

"Un redressement s'impose.

"La situation que nous avons analysée brièvement n'est pas exempte de périls. Ainsi, le nombre des propriétaires diminue graduellement à Montréal, ville dans laquelle ceux-ci sont déjà peu nombreux par rapport au chiffre de la population."

M. SAUVE: A Montréal, nous avons 18% de propriétaires tandis qu'à Toronto il y a 75% de propriétaires. Ceci indique une situation très mauvaise à Montréal, et nous demandons avec instance une amélioration dans les taxes et aux droits sur les propriétés.

"Le phénomène est assez symptomatique. Il indique à tout le moins que la propriété n'offre plus d'attrait. Les autorités publiques semblent reconnaître cette détresse, mais jusqu'ici les gouvernements n'ont adopté que des palliatifs au lieu d'enrayer le mal à sa source même comme d'autres pays, notamment l'Angleterre, ont eu l'audace et le courage d'y remédier. Le gouvernement provincial, en instituant le moratoire, a protégé momentanément le propriétaire contre l'usurpation, mais le malaise reste intact. De son côté, l'administration fédérale a pensé de faciliter la reprise normale des travaux dans l'industrie du bâtiment au moyen de prêts consentis. Une telle initiative ne peut pas résoudre la difficulté d'autant plus qu'elle procède d'un mauvais principe. L'octroi d'une prime est une incitation à la spéculation. En outre, la construction nouvelle érigée avec l'aide fédérale crée aux autres propriétaires d'immeubles une concurrence injuste, sans améliorer le marché. Au contraire, l'ancien propriétaire n'est plus en mesure de faire face à cette difficulté additionnelle qui s'ajoute à tant d'autres.

Au lieu de régler la crise du logement, la loi fédérale l'a tout simplement compliquée. D'ailleurs, les expériences antérieures entreprises sous l'égide fédéral n'avaient guère été plus fructueuses. A quoi bon se faire illusion, l'heure des hésitations est passée; c'est une réforme du régime fiscal qui s'impose impérieusement.

"La propriété immobilière supporte, au Canada, 40% du fardeau fiscal, tandis qu'en Grande-Bretagne, les impôts fonciers n'atteignent que 18.5% du total. La propriété est trop taxée, et il faut la dégrever.

"Recommandations.

"En conclusion des considérations qui précèdent, la ligue des propriétaires de Montréal est d'avis qu'il est extrêmement urgent de procéder sans retard au dégrèvement de la propriété ainsi qu'au remaniement de la base de l'impôt, et à cet effet, elle soumet respectueusement à la commission Rowell les recommandations et suggestions suivantes:

1/ L'impôt sur les biens-fonds institué au moment où la propriété était pratiquement la seule richesse imposable, est maintenant périmé et ne convient plus dans le mode d'application actuel aux besoins administratifs de notre époque parce qu'il pressure le propriétaire et tend vers la destruction du capital. En conséquence, la ligue des propriétaires de Montréal propose une réforme complète de l'impôt foncier;

2/ Elle suggère, en particulier, que l'impôt foncier soit basé sur les recettes brutes de la propriété et non sur l'évaluation.

3/ Il n'est pas juste que le propriétaire soit le seul à supporter les charges de l'immeuble. Une part de l'impôt devrait être soldée par tous ceux

qui profitent des services institués par la municipalité pour assurer la protection et le bien-être social de la collectivité. On a souvent répété sur tous les toits que le propriétaire recouvrait ses dépenses fiscales du locataire dans le prix du loyer. Si cette affirmation était juste autrefois, elle a cessé d'être vraie. En Angleterre, l'occupant paie l'impôt. Dans ce cas, l'obligation en matière fiscale est personnelle et la dette est créée sur les biens meubles et le crédit du locataire. Là encore, la loi est inspirée par un souci évident de protéger le capital engagé dans la propriété. Tout comme dans le cas de la loi française, la propriété inoccupée n'est pas taxée.

4/ Les municipalités ne devraient maintenir l'évaluation des immeubles non pas en vue de fixer le quota des taxes foncières, scolaires et spéciales, mais uniquement aux fins de garantir les émissions d'obligations publiques;

5/ L'occupant devrait contribuer au fonctionnement des services municipaux d'utilité générale et de protection au même titre que les propriétaires d'immeubles puisque ces services concourent à la sécurité et au bien-être collectif;

6/ Certaines villes ont accordé des commutations de taxes ou autres concessions en faveur de nouvelles industries au détriment des autres centres et des entreprises déjà établies sur place, tandis que Montréal n'a pas le privilège d'offrir les mêmes avantages. Considérant que ces divergences administratives sont inévitables pour les contribuables et qu'en outre elles créent une concurrence injuste entre les municipalités, la ligue des propriétaires

de Montréal est opposée à toute commutation de taxes et recommande l'uniformité législative en cette matière;

7/ Les provinces devraient avoir le privilège de fixer le taux d'intérêt sur les hypothèques. Le taux d'intérêt des emprunts garanti par un ou des immeubles sera fixé par chaque législature;

8/ Le coût des travaux d'amélioration et de développement entrepris par la ville devrait être réparti sur tous les contribuables au lieu d'être imputé aux propriétés riveraines;"

M. SAUVE: Là-dessus, nous considérons qu'à Montréal les propriétaires paient 100% des travaux permanents de pavage, canaux d'égout, trottoirs, etc., et contribuent 80% aux services des pompiers et de la police. Nous considérons que c'est injuste, parce que nous ne pouvons pas avoir pour le loyer le prix que coûte l'administration de la propriété.

"9/ Les lots vacants représentant un actif improductif, la Cité aurait avantage à annuler les arrérages de taxes sur tous ceux qui ne trouvent pas acquéreur; en outre, elle devrait être autorisée à en prendre possession, sans frais, après avis et sans autre formalité. Elle pourrait ensuite les revendre à son profit ce qui aurait pour effet d'encourager la construction, et de rendre la propriété plus accessible aux classes moyennes;

10/ Toute taxe sur le capital devrait être abolie et remplacée par un impôt sur le revenu;

11/ Les municipalités ne devraient plus contribuer à défrayer le coût des secours directs. Il conviendrait, en outre:

- a/ de modifier la définition du mot chômeur;
- b/ de garantir le paiement aux propriétaires du loyer de tout logement occupé par des familles bénéficiant de l'assistance chômage;
- c/ le changement de domicile ne devrait pas affecter la situation du chômeur.

M. SAUVE: Nous constatons qu'un chômeur qui demeure à Trois-Rivières et vient résider à Montréal, en a pour deux ou trois ans avant d'être capable d'avoir son secours de la Commission du chômage. C'est pourquoi nous recommandons - c'est une question nationale - qu'un chômeur qui déménage d'une ville à l'autre devrait quand même recevoir son secours.

"En terminant ses suggestions et recommandations, la ligue des propriétaires de Montréal forme le vœu que les autorités compétentes prendront les mesures qui s'imposent aux fins de réhabiliter la propriété.

"A cet effet, elle demande au gouvernement central:

- 1/ d'abolir le prêt à la construction consenti en vertu de la loi connue sous le nom de "Dominion Housing Act";

M. SAUVE : Actuellement, nous constatons que ce ne sont pas ceux qui ont besoin de l'argent du gouvernement fédéral qui en profitent. Nous avons à Montréal une ville divisée en certaines classes de la société, le Dominion Housing Act actuellement permet la construction, c'est-à-dire le bénéfice du Prêt fédéral dans les quartiers fashionables tels que Mont-Royal, Hampstead, et Notre-Dame-de-Grâce, la partie fashionable de Montréal. Dans la ville de Montréal, à partir de la rue Bligny en gagnant vers l'est, aucun prêt ne peut être fait. Dans le sud-est de Montréal, rien également. Il y en a une petite partie qui peut bénéficier du Dominion Housing Act, mais ce sont ceux

qui n'en ont pas besoin, ceux qui en ont besoin ne peuvent pas construire.

Est-ce que ce n'est pas un mauvais service à rendre à un propriétaire que de lui prêter jusqu'à concurrence de 80% sur la propriété? S'il a des pertes, le propriétaire qui a cru bénéficier du Prêt fédéral, perd le montant de 20% qu'il a mis dans la propriété.

"2/ d'encourager par tous les moyens à sa disposition, le placement du capital dans les entreprises immobilières;

3/ d'amender la loi des banques afin de permettre le prêt immobilier à des taux raisonnables.

Respectueusement soumis,

La ligue des propriétaires de Montréal,

Honorable Alfred Leduc,

président."

M. SAUVE: Le mémoire est signé et, comme je l'ai déjà dit, l'honorable M. Leduc a été incapable de venir le présenter lui-même, c'est pourquoi je vous l'ai soumis.

Nous avons aussi des graphiques qui sont assez intéressants et que vous pourrez constater dans cet exposé.

Dans les contrats de construction octroyés au Canada, nous constatons qu'il y a eu baisse et hausse: en 1928 et 1929, la construction était très élevée et elle a baissé énormément de 1932 à 1934. Actuellement, elle monte un peu, mais il est impossible qu'elle monte davantage, à cause de différentes raisons, surtout à cause du taux peu élevé du loyer et le coût très élevé des constructions.

A la page 20, nous avons un tableau indiquant les taxes perçues par les municipalités de la province de Québec en 1936. Vous pourrez constater ce que nous vous soumettons.

A la page 21, Municipalités Urbaines et Rurales de la Province de Québec, vous constaterez que le passif à longue échéance, qui était de \$190,025,826. en 1920, est monté à \$516,844,828. en 1936, tandis que la valeur estimée des biens-fonds imposables était en 1920 de \$1,526,540,849. et, en 1936, était montée à \$2,146,101,583.

LE PRESIDENT SUPPLEANT: A la page 23, je constate que les propriétés imposables dans le Québec étaient de \$2,184,368,606. et les taxes perçues, \$59,729,973., tandis que dans l'Ontario le propriété imposable était de \$2,702,400,638. tandis que les taxes perçues étaient de \$117,892,884. en 1934: Etes-vous capable de me dire pourquoi? C'est le double de Québec.

M. SAUVE: Dans la province d'Ontario, la taxe foncière inclut toutes les taxes spéciales que j'ai mentionnées il y a un instant. J'ai dit qu'à Montréal le propriétaire paye les travaux permanents d'égouts, les trottoirs, l'enlèvement de la neige, etc., tandis qu'en Ontario, la taxe foncière enlève tout cela. Il faudrait inclure les taxes spéciales payées à Montréal pour faire la différence qu'il y a entre Québec et Ontario.

Au haut de la page, il y a: "Evaluation foncière et taxes municipales, 1934". Les taxes spéciales ne sont pas incluses dans les \$59,729,973.

On nous dit souvent que Toronto est moins taxée que les autres villes. C'est vrai. A Montréal, on paie la taxe foncière plus 8%. Toutes les autres taxes spéciales sont en plus. A Toronto, c'est une taxe globale qui enveloppe tout.

Dans les autres pages, si vous avez des questions à nous poser, nous serons bien aises d'y répondre.

M. LE PRESIDENT SUPPLEANT: Dans vos recommandations, à l'article 6, page 16, ceci relève exclusivement du gou-

vernement provincial. Il s'agit là de commutation de taxes.

M. DANSEREAU : Je comprends, monsieur le président, que c'est plutôt pour attirer l'attention du gouvernement fédéral à la situation des propriétaires.

M. SAUVE: L'an dernier, le gouvernement provincial avait nommé une commission qui avait pour nom: "Organisme pour faire une enquête sur la petite propriété." J'étais membre de cette commission, nous avons siégé à Hull et dans toutes les villes, jusqu'au Lac Saint-Jean; nous avons constaté dans chaque ville que c'était presque toujours la même situation, à part quelques exceptions, comme Sherbrooke, qui a municipalisé l'électricité et qui est dans une position particulière. Mais, dans presque toutes les villes, c'est la même situation qui existe.

Dernièrement, j'assistais à une réunion de la Ligue des propriétaires de la province d'Ontario, et nous avons constaté le même mal qui existe dans la province de Québec.

(Suite à la page 8341)

COMMISSIONER MacKAY: Number four of your recommendations here, I am not quite sure what you mean by that.

MR. SAUVE: At what page is that, sir?

COMMISSIONER MacKAY: It is recommendation number four on page nine. It reads as follows:

4. The municipalities should maintain their assessment not for the purpose of fixing the quota of real estate, school and special taxes, but solely in order to guarantee their bond obligations to the public."

MR. DANSEREAU: We maintain that taxes should be paid considering the ability to pay, but we should maintain the present valuation because it is useful in guaranteeing the bonds. It is the assessment of the property owners which guarantees these bond issues.

COMMISSIONER MacKAY: You think it is necessary, then, to assess and tax real estate in order to maintain municipal credit? You think it is necessary to assess and tax real estate to the extent of the bonded obligation of the municipality.

MR. DANSEREAU: Unless it is known that the loans made by the cities are guaranteed by real estate--

COMMISSIONER MacKAY: You think that is necessary, do you?

MR. DANSEREAU: The present valuation could be maintained for that purpose, of guaranteeing those bonds, but the present valuation is not the right one for the taxation of real estate because it does not take into consideration the ability to pay. The valuation is made by figuring on the replacement value, and it does not take into consideration the revenue from the property.

COMMISSIONER MacKAY: School and other taxes should

be levied upon the occupier, should they?

MR. D'AMSEUREAU: On the occupier or some industry or from other sources of revenue; you could take the revenue from income. It is a sure thing that property is overloaded now. This is the cry of property owners from coast to coast. Our problems here in the city of Montreal in the province of Quebec are the same as those existing in other cities throughout Canada. As a matter of fact, in Montreal to a certain extent, it might even be worse because in the city of Montreal there is less owner-occupied property than in all Canada, according to the statistics in 1931, there was only about 14 per cent who were owners, then, according to some statistics, which we have, there are about 10,000 less property owners to-day. In other words, real estate in the city of Montreal has been something of an investment, it has been like a business and it has been operating at a loss. We have been selling our merchandise, our shelter, on the cuff and that is why we are in the position in which we find ourselves to-day. It is for this reason that we have a moratorium law on capital in this province and a moratorium law for interest rates. We have millions of arrears in taxes. For this reason, our government found it necessary, at the last session, to pass a law capitalizing all these arrears of taxes and making them payable in twenty years with an interest rate of five per cent. This was quite a relief, but how the property-owners are going to meet their obligations and ~~meet~~ these payments which they promised to make--they will not be able to make them unless they get a reduction or some change in the form of taxation of real estate. It might even be necessary to give them a reduction in the interest rate.

For example, take the Dominion Housing Loan, I have a case in mind just now, where I have a friend of mine in Montreal who has a pair of duplex houses on one side of the street, and another gentleman across the street built a new house under the Dominion Housing Loan, securing an 80% mortgage at the rate of 5%. My friend across the street is not able to obtain a reduction of interest on his mortgage because his creditor says Well, your property has decreased in value at least 30% or 40% since we made the loan, and in consequence you have to reduce your capital, before we will be able to reduce the mortgage. Whereas, on the other side you have a man who has an 80% mortgage at 5%, held by the Government, and the other man cannot get a reduction of interest, he still has to pay $6\frac{1}{2}\%$ or 7%, because you must not forget in Montreal interest rates on mortgages are very high, and he is not able to get a reduction of interest to 5% because his mortgage represented an 80% mortgage. Probably he would be willing to reduce, if he could reduce, his mortgage, to 60%.

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MTRE ST-LAURENT: Je constate à la page 11 de votre mémoire que vous signalez qu'il y a une diminution dans les revenus de l'immeuble à Montréal. Je crois que c'est une chose qui est généralement connue depuis 1928 ou 1929 qu'il y a eu une réduction assez considérable dans les revenus de l'immeuble.

Est-ce qu'il y a pas eu depuis mai 1937 tendance à monter un peu?

M. DANSEREAU: Très peu. Il y a une tendance, c'est-à-dire que dans l'est de la ville et dans le nord de la ville, les logements se sont faits un peu plus rares. Il y a eu une légère augmentation, mais dans l'est de la ville où la dépression et la baisse de la bourse a fait plusieurs victimes, il y a plus de logements vacants au 1er mai 1938. Et ceci est encore dû là au fait de la construction qui se fait sur le Dominion Housing Loan; les gens partent des vieilles propriétés pour aller dans ces immeubles là, et les nouveaux propriétaires sont capables de leur louer à bien meilleur marché, parce que leurs charges fixes sont moins élevées.

MTRE ST-LAURENT: Depuis 1929 y a-t-il eu de la construction de maisons à Montréal?

M. DANSEREAU: Presque pas.

M. SAUVE: Il faut considérer qu'à Montréal, depuis 1930, nous avons eu régulièrement à peu près 40,000 familles qui représentent 200,000 personnes sur le pavé.

MTRE ST-LAURENT: 40,000 familles ont été sur les secours directs comme chômeurs, c'est ce que vous voulez dire?

M. SAUVE: Oui monsieur.

MTRE ST-LAURENT: Quelle a été, M. Sauvé, l'augmentation naturelle de la population de Montréal dans cette période là?

M. SAUVE: Voici: dès le commencement de la crise, Montréal a reçu un nombre considérable de familles, en fait, tel que la campagne s'est désertée, à cause du chômage, familles qui sont venues à Montréal parce que Montréal a adopté immédiatement le secours direct, tandis que dans plusieurs campagnes on n'avait pas cela.

MTRE ST-LAURENT: A part ce mouvement de population, les statistiques semblent démontrer qu'il y a une augmentation d'environ un pour cent par année, augmentation naturelle, c'est-à-dire une différence en plus d'environ un pour cent entre les naissances et les décès.

M. SAUVE: Depuis quatre ou cinq ans, c'est l'augmentation naturelle.

MTRE ST-LAURENT: L'augmentation naturelle pourrait donner quelque chose comme soixante à quatre-vingt mille individus par année.

M. SAUVE: Ce qui représente à peu près quatre mille familles.

MTRE ST-LAURENT: Ce qui représenterait quinze mille familles.

Il y a à peu près pas de construction de nouveaux logements?

M. DANSEREAU: D'après les statistiques, la population n'aurait pas augmenté autant que cela. En 1933 il y avait 847, 000 de population; en 1934, 855,000; en 1935, 863,000; la population a pas augmenté dans ces proportions là.

MTRE ST-LAURENT: Alors, il a dû y avoir un déplacement de population?

M. DANSEREAU: Il y a certainement eu un déplacement de gens qui sont retournés à la campagne par la campagne de retour à la terre. Il y a certainement un certain nombre d'artisans qui sont venus dans le temps de la prospérité pour avoir un emploi à Montréal, qui à la suite de la crise

sont retournés dans leur famille.

MTRE ST-LAURENT: Avez-vous les chiffres de l'augmentation de la population de 1929 à 1937 ou 1936?

M. DANSEREAU: En 1929 il y avait 775,000 de population, et en 1936, 863,000; ça fait 90,000 d'augmentation en sept ans.

MTRE ST-LAURENT: Cela, c'est pour la cité de Montréal, la municipalité de la cité de Montréal.

M. DANSEREAU: C'est cela.

MTRE ST-LAURENT: Et c'est à peu près les trois quarts de la population de l'Ile de Montréal?

M. SAUVE: La population de l'Ile de Montréal est à peu près de un million et quart.

MTRE ST-LAURENT: Dans le moment y a-t-il suffisamment de logements à Montréal pour la population?

M. SAUVE: On trouve quelquefois, comme les journaux le donnaient dernièrement, qu'il y avait à peu près une quarantaine de familles à Montréal qui étaient sans logements. Il faut considérer une chose, c'est qu'il y a des locataires qui sont plus ou moins désirables, qui ne trouvent pas de logements parce qu'ils sont des locataires indésirables absolument.

MTRE ST-LAURENT: En comparant les logements disponibles avec la population actuelle, y a-t-il assez de logements?

M. SAUVE: Il n'y a pas de rareté de logements; il y a plusieurs milliers de logements de surplus actuellement à Montréal.

MTRE ST-LAURENT: Ça semblerait le résultat de la construction entre la fin de la guerre et le commencement de la crise? La construction a été pas mal active à Montréal de 1919 à 1929?

M. SAUVE: Oui.

MTRE ST-LAURENT: Cette construction là a été en grande partie de la construction pour louer?

M. SAUVE: C'était pour louer, parce que Montréal est une ville de locataires; c'est le plus petit pourcentage de propriétaires dans tout le Canada.

MTRE ST-LAURENT: La grande partie de la construction qui s'est faite dans ces dix années là a été de la construction pour louer.

M. SAUVE: C'est cela.

MTRE ST-LAURENT: Et ceux qui l'ont faite ont fait, on le voit maintenant, un placement qui n'est pas avantageux.

M. SAUVE: Prenons la Ville de Verdun qui il y a dix ans comptait une population d'environ vingt-cinq à trente mille; elle est aujourd'hui de soixante-cinq mille, et il n'y a pas d'industries dans la Ville de Verdun. On parle toujours de la ville de Montréal comme ayant une population de huit cent quelque mille, mais Westmount, Verdun, font réellement partie de Montréal. Prenons comme Westmount et Verdun, ce sont des gens qui viennent chercher leur vie à Montréal et qui demeurent dans ces municipalités là.

MTRE ST-LAURENT: Il y a eu depuis quelques années, un mouvement de la population de Montréal du centre de la ville vers la périphérie?

M. SAUVE: Oui, monsieur.

MTRE ST-LAURENT: Et bon nombre de gens qui autrefois résidaient dans les limites de la ville, continuent à gagner leur vie dans la ville, mais sont allés habiter dans le voisinage.

M. SAUVE: Oui, monsieur.

MTRE ST-LAURENT: Ceci a eu un effet sur la situation de l'immeuble dans les limites de la ville?

M. SAUVE: Oui.

MTRE ST-LAURENT: Vous suggérez dans les recommandations à la page 18, la modification de la définition du mot chômeur. Quelle définition voudriez-vous donner du mot chômeur?

M. SAUVE: Le mot chômeur, actuellement, supposons que j'ai un locataire qui est entré dans ma maison chômeur le 1er mai; le 15 mai ou quelque temps après ce chômeur tombe malade; il est enlevé immédiatement des chômeurs.

Par la loi fédérale il est dit que pour être chômeur ça prend une personne qui est capable de travailler et qui n'est pas de travail. De même, qu'une personne tombe malade, elle n'est plus considérée comme chômeur, et c'est la qualification qu'on veut lui donner. On demande que le mot chômeur, du moment qu'une personne tombe malade, qu'elle soit considérée également comme chômeur.

MTRE ST-LAURENT: Vous voudriez que pour son travail il soit sur le même pied qu'au point de vue de la sécurité du propriétaire du logement qu'il occupe?

M. SAUVE: Et même, que ce soit une personne qui serait, disons, consommation, tuberculeuse, et qui ne pourrait pas revenir au travail plus tard, mais une personne tombe malade, des fièvres typhoïdes, par exemple, ça va durer trois ou quatre mois, on voudrait que tel chômeur reste chômeur.

MTRE ST-LAURENT: La raison pour laquelle vous suggérez l'abolition de cette loi du Dominion Housing Act, c'est que vous trouvez que le prêt à cinq pour cent pour la construction des maisons fait concurrence illégitimement à ceux qui ont construit des logements alors qu'ils empruntaient l'argent à 6½ et 7%.

M. SAUVE: C'est cela.

M. DANSEREAU: Ensuite, le principe est faux. Si les gens qui ont construit dans le passé, toute la construction

qui s'est faite dans le passé à Montréal s'est faite avec du capital privé, et les gens s'en sont bien trouvés jusqu'à ces dernières années, alors que les taxes sont devenues hors de proportion avec les revenus.

Quand la nécessité de nouvelles constructions se fera sentir, le capital privé est encore capable de le faire. Quand la crise, quand les maux actuels seront passés, le capital privé se remettra à construire comme auparavant. Le fait d'essayer d'augmenter ou de stimuler la construction par des moyens de toutes sortes n'améliorera pas la situation.

MTRE ST-LAURENT: Vous ne partagez pas l'idée de ceux qui croient que stimuler la construction serait un moyen de diminuer le chômage?

M. DANSEREAU: Pas du tout. Qui est-ce qui construit? C'est le propriétaire. Vous allez toujours trouver des gens qui sont prêts à construire, des contracteurs, des constructeurs qui sont prêts en autant que vous êtes capable de fournir l'argent pour construire; mais si vous voulez que ce placement soit un bon placement, et bien, il faut que vous soyez capable de revendre cette propriété là, et de la revendre à un acheteur qui va considérer que c'est un placement profitable.

Alors, comme la situation de la propriété est aujourd'hui, ce n'est pas un placement profitable. Des gens qui ont acheté une propriété et qui l'ont actuellement, il y en a plusieurs qui le regrettent énormément, et s'ils viennent jamais à avoir encore de l'argent, avant qu'ils pensent à l'investir dans la propriété, il va falloir qu'il y ait du changement.

MTRE ST-LAURENT: Etes-vous d'avis qu'il y a un nombre tant soit peu important de maisons habitées à Montréal qui

ne sont pas convenables, et qui devraient être remplacées?

M. DANSEREAU: Il y en a certainement; dans toutes les grandes villes il y en a, mais il n'y a pas de taudis.

M. ST-LAURENT: Ce qu'on a appelé en anglais le problème du 'slump clearance' n'est pas un problème aigu à Montréal?

M. DANSEREAU: Mon opinion, ce n'est pas un problème aigu à Montréal dans le moment. Il y a certainement des maisons qui ne sont pas sanitaires, qui pourraient être améliorées, reconstruites ou démolies, mais pas pour en faire un problème....A Montréal, je ne crois pas qu'il y ait de quartiers comme dans les vieux pays qu'on peut dire: c'est un slump, il faut que ce quartier soit démoli et reconstruit à net.

M. ST-LAURENT: Sans qu'il y ait des quartiers entiers, pouvez-vous nous donner une indication quelconque du pourcentage de maisons qui devraient être remplacées à Montréal?

M. SAUVE: D'après le rapport du Docteur Boucher, il prétend qu'il y a environ 1200 logements à Montréal qui peuvent être classés comme taudis.

M. ST-LAURENT: Combien de logements en tout dans la cité de Montréal?

M. SAUVE: Je peux pas le dire; on peut le calculer par la population....200,000.

M. DANSEREAU: Au-delà de 200,000.

M. ST-LAURENT: Il y aurait autour de 200,000 logements et sur cela il y en aurait 1200 qui devraient être remplacés?

M. SAUVE: Il n'y a pas 1200 taudis, mais ce sont des logements qui devraient être remplacés. Il y a à Montréal des logements qui sont malsains et qui sont construits depuis 50, 60, 75 ans, qui peuvent être remodelés, avec

les exigences de la ville de Montréal au point de vue hygiène, de confort. Il y en a un grand nombre qu'on considère comme taudis, mais qui peuvent être convertis en des logements logeables, avec des améliorations. Je considère comme vrais taudis des fonds de cours; il y en a peut-être quelques centaines qu'il faudrait faire disparaître.

MTRE ST-LAURENT: Il y a aussi un nombre assez considérable de rues plutôt étroites où il n'y a pas d'espaces autour des maisons pour les gens qui habitent ces maisons là.

M. DANSEREAU: C'est un peu partout comme cela dans la plupart des centres urbains, les maisons sont construites sur des lots de 25 pieds.

M. SAUVE: Il n'y a pas de rues très étroites à Montréal; les plus étroites sont de quarante pieds.

MTRE ST-LAURENT: Vous avez dit que dans Notre-Dame de Grâces il pourrait se faire des constructions avec des emprunts faits sur le Dominion Housing Loan?

M. SAUVE: Le Gouvernement fédéral a passé cette loi et laisse le soin aux compagnies de prêts comme la Sun Life etc., qui garantissent 60% du prêt.

MTRE ST-LAURENT: Qui avancent même 60%.

M. SAUVE: Oui; le Gouvernement avance 20%, le propriétaire 20%, et la compagnie prête 60%; c'est-à-dire, c'est elle qui a la plus grande part dans le prêt, et elle a droit de choisir l'endroit où il faut construire. Je sais que dans le quartier St-Paul, pour aucune considération on peut avoir un prêt fédéral. Quand même je vaudrais \$100,000. que je voudrais bâtir une maison de \$5,000.00, pour aucune considération je ne pourrais avoir un prêt du Gouvernement,

MTRE ST-LAURENT: La raison c'est qu'il y a aucune compagnie privée qui consentirait à construire ou à faire des prêts ailleurs que dans les trois quartiers de Notre-Dame de Grâces, St-Henri, Hampton et Mont-Royal.

M. SAUVE: Oui monsieur.

MTRE ST-LAURENT: Cela, ce sont des quartiers plus neufs où il y a plus d'espaces et où les rues sont plus larges?

M. SAUVE: Et dans ces quartiers, ce sont des quartiers fashionables, et le loyer est facilement plus élevé que dans d'autres quartiers. Dans St-Henri, vous allez avoir un logement qui pourra se louer \$50.00; dans Hampton, ou dans Notre-Dame de Grâces, qu'à St-Henri vous pourrez pas avoir plus de \$25.00 à \$30.00 pour le même logement.

MTRE ST-LAURENT: Est-ce qu'on n'exige pas aussi pour la construction de ces immeubles sur lesquels les compagnies font des prêts, que ce soit des maisons isolées ou des duplex avec lumière au moins sur trois faces? Ils font des prêts du genre sur des maisons isolées ou des duplex avec éclairage sur trois faces.

M. SAUVE: C'est sur.

MTRE ST-LAURENT: Et ceci ne permet pas d'en bénéficier dans les vieux quartiers où les lots sont étroits et où les maisons sont rapprochées les unes des autres.

M. SAUVE: On peut pas avoir un prix de loyer dans des quartiers comme St-Henri et dans les quartiers pauvres, on peut pas avoir pour le même logement le même prix qu'on peut avoir dans ces quartiers là.

MTRE ST-LAURENT: Ce qui se construit dans ces quartiers là, est-ce que ça se construit par des propriétaires qui louent les maisons en général, ou si ça se construit par des gens qui veulent en devenir propriétaires en faisant des paiements échelonnés sur une période de vingt ans?

M. SAUVE: Il y a à Notre-Dame de Grâces quelques maisons de rapport qui se sont construites avec des prêts du Gouvernement. Maintenant, il y en a qui construisent, comme le cas dont je parlais tout à l'heure, c'est une construction de duplex; mais en général c'est pour des cottages qui sont bâtis pour être revendus, quand ils sont revendus, dans des valeurs de 6, 7, 8,000.00 jusqu'à \$15,000 ou \$16.000.00.

MTRE ST-LAURENT: Vendus à quelqu'un qui va aller l'habiter, et va payer mensuellement une somme suffisante pour un douzième des taxes, et pour éteindre le capital?

M. SAUVE: Ca dépend des conditions du Housing Act.

MTRE ST-LAURENT: Ca a une tendance à augmenter cela le nombre des propriétaires d'immeubles habitant leurs immeubles.

M. DANSEREAU: Oui, mais dans les autres quartiers, comme M. Sauvé le disait, comme cette construction se fait que dans ces quartiers là, ca fait une compétition injuste aux propriétaires actuels.

MTRE ST-LAURENT: Ca fait une tendance à diminuer le nombre des gens qui cherchent un logement?

M. DANSEREAU: Oui, on perd quantité de bons locataires qui s'en vont dans ces maisons là.

M. SAUVE: D'un autre côté, il y a à Montréal différents corps, et d'après la loi du Dominion Housing Act, elle a aidé aucunement au problème des logements ouvriers. La construction se fait dans les quartiers qu'on a mentionnés tout à l'heure; c'est pas dans les quartiers pour les ouvriers, des logements à \$75.00. Dans les logements de \$20. \$25., \$30.00, il se fait aucune construction en vertu de la loi du Housing Act.

MTRE ST-LAURENT: Le minimum ça a été de \$40.00 en montant?

M. DANSEREAU: Au point de vue du propriétaire, je crois pas que ça ait fait bien du tort dans ces quartiers là, parce que c'est dans ces quartiers là où il y a le moins de lots vacants, et où les logements sont le mieux loués.

MTRE ST-LAURENT: Ca a une tendance à attirer les gens qui auraient pu louer ailleurs, à ces nouveaux quartiers sur les confins de la ville?

M. SAUVE: Oui.

Le mémoire de la Ligue des
Propriétaires de Montréal
est produit comme

EXHIBIT 346

M. SAUVE: Nous vous remercions de votre bonne attention, monsieur le Président.

SUITE A LA PAGE 8356

THE ACTING CHAIRMAN: The next brief to be heard is that of the Provincial Association of Protestant Teachers of Quebec. Are you in charge of the presentation, Mr. Stephen?

MR. STEPHEN: Yes sir, and Miss Catherine MacKenzie is with me.

THE ACTING CHAIRMAN: Just proceed as you wish.

MR. FRED N. STEPHEN: Thank you.

Mr. Chairman and members of the Rowell Royal Commission: The first three paragraphs of this brief are introductory and historical. Therefore I shall turn to the fourth paragraph on page No. 3, as numbered here.

"The Provincial system of education has not resulted in equalization of educational opportunity, of educational facilities nor in a fair distribution of the cost of education. The birthright of every child is equal educational opportunity. It is the right of every child to expect the best type of education that the resources of the state can provide, consistent with the need and capacity of the individual as a member of organized society. Education is the most important public function; this is the sole base on which its claim for public support can rest, hence, in every democracy worthy of its name, there should be provided an equality of educational opportunity."

And then we will skip to page 4, paragraph on page 4 beginning "There are glaring equalities", just points to some of the difficulties in our own provincial situation.

The next paragraph tells you something about the things that are being done by the Dominion and provinces

for technical education.

The last paragraph on page 4:

"Are conditions such that we have a profession of teachers equipped to teach earnestly and clearly the fundamentals of right living? You have heard, and we have too frequently been told that teachers are 'marvellously heroic', that they are making 'monumental sacrifices for and splendid contributions to society'. What do we find? About 63% of the cost of publicly controlled education is for teachers' salaries. In 1923, 30 million dollars was spent on salaries, but in 1934, 27 million dollars was the amount spent. The trend was downward in 1935, and again in 1936. May we quote from the Canada Year Book of 1936, 'The general economic improvement of 1934 was not reflected in school support. School expenditures, budgeted in advance, reflect the general economic conditions of the previous rather than the current year'. In Quebec, teaching conditions have been discouraging".

And of course, Mr. Chairman, you will understand we are speaking about Protestant teachers and conditions.

"We can report that our present government is taking a more progressive view towards education than in former years. Even yet, salaries for trained teachers are disgracefully low. The minimum established by law"- (it says "but not in force", since this was printed it has come into force)- is an average of \$300 per year with partial maintenance, or \$400 per year without living allowance."

"From this background of conditions as they are found in Quebec, may we be permitted to suggest the specific points where we believe that Federal aid is legitimate and necessary.

We have expressed our belief in the wisdom of local autonomy in education. The B.N.A. Act laid down the principle that education is a provincial matter. We feel that Quebec is failing in her educational responsibilities. Our educational system is not obsolete but it is obsolescent, because of the lack of necessary income required for further progress. We cannot stand still. If we do not advance, then our motion is, of necessity, retrogressive. The recent depression was and is a national disaster. Schemes are being undertaken to rehabilitate those whose manhood and womanhood have been sapped by the curse of idleness and too much unoccupied leisure. However, necessary as that may be, it is the responsibility of the Dominion to see that her children are adequately prepared for intelligent citizenship. Our Provincial Government is spending millions on social services; what is left for education? A system of national subsidies must be inaugurated in order to enable the provincial governments to assume their fair share of educational costs. In Quebec, 4.49% **only** of the cost of Protestant Public School education is borne by the Provincial Government. Compare this with Prince Edward Island, where 59.1% of the educational costs are met by the province; with British Columbia, which pays 32.9% of

educational expenditure; and even with Ontario, where 11.5% is met by provincial grants."

Then it goes on to speak of the fact that Federal aid does not mean federal control, and that is illustrated in various countries.

And then if you would be good enough to turn with me to page 6, the third paragraph on the page.

"The fundamental aim of education is to prepare the child for participation in adult activities, that is, to teach him 'The dignity of labour' and the art of true living. In order to do this, the best people available must be induced to enter the teaching profession, so that our graduates may go out imbued with the necessity of keeping our country democratic and free. Are the best teachers available under present conditions? More than 5000 teachers in Canada are now expected to inculcate the ideals of life at a salary of \$500 or less. If the provincial governments are unable to find the money to improve these conditions, then support must be procured from other sources. The teacher is training Canadians, not Montrealers nor Quebecers, and therefore, Canada should provide, with a little more than the bare necessities of life, those who are building bulwarks against pernicious forms of government."

Under the heading of "Health Services in Quebec Schools" may I summarize that by saying that although there is a form of medical inspection in our schools, many of our schools are never visited from the beginning of the year to the end of the year. With the exception of Montreal

and Westmount, greater Montreal, no dental work is done whatsoever for the pupils in our schools.

Then on page 8, about two thirds of the way down the page:

"Expenditures that yield such results are easily seen to be savings to the nation" results in greater manhood.

"Since they are not applied to educational purposes in the strict Canadian interpretation of that term, there seems no good reason why the Department of National Health might not undertake the provision of health services for all the children of the nation; or, failing this, the Federal Treasury might lend encouragement to such national service by undertaking to share with the provinces in the cost involved.

If such services were made available, the teachers of this province would gladly undertake to assist, as they were able, in their administration. They would specifically recommend the provision: (1) of periodic health examinations in all schools; (2) of remedial facilities, as required, whether of

- (a) supplementary nutrition
- (b) medical services (including dental)
- (c) artificial aids or
- (d) psychopathic treatment."

And then the section on "Scholarships".

"This committee is of the opinion that there is urgent need of the Federal Government granting numerous and valuable scholarships to assist brilliant students"- and that does not mean only

intellectually brilliant but brilliant with their hands
or in other aptitudes, - "in urban and rural districts
of the Dominion.

On account of lack of funds, many Canadian
girls and boys throughout the Dominion are
being deprived of their right to the education
necessary for the development of their talents.
Many brilliant students from urban and rural
districts drop out before their school course is
completed."

The remainder of that page tells you what is being
done in other countries and I do not think it is
necessary to read that here.

And then on page 10:

"Further conditions that show the need of action
on the part of the Federal Government.

McGill University offers 6 University Entrance
Scholarships - value \$1200 - to be competed for
by High School Students all over the Dominion.

In 1937, the total number of candidates who
wrote the examination was 98.

The number of Quebec candidates who wrote was 85.

The number of Quebec winners was 6.

Thus 79 Quebec students could hope for no
financial aid from this source, and 13 students
from other parts of the Dominion were in the same
position."

The findings on page 10 I think you will find
perfectly clear.

Under the heading on page 11 of "Technical and
Vocational Education" our chief claim in the next five
pages is the fact that technical and vocational education,
money for that is being given by the Federal Government,

is given to the secretary of state in the provincial government. That is administered entirely by him and not for the boys and girls in our public school education. And we maintain on page 15, half way down the page: "We maintain :

1. "That technical education in this province is organized almost exclusively under one of the Departments of the Provincial Government but is not under the Department of Education.
2. That on Technical Education and Youth Training Projects the Provincial and Federal Governments are making heavy expenditures.
3. The Public School System makes practically no provision for Technical Education because of the inadequacy of financial resources."

In the Province of Quebec there is only one school doing anything in the way of technical education or vocational education.

"We believe that such a provision should be a feature of our Public School System, that is, that there should be Intermediate and High Schools offering such technical courses for girls and boys as any Junior High School offers. This, as has been said, is not now possible with the finances at the disposal of School Boards, and the fact that Technical Education is to a large extent divorced from the Public Education System, and is not under the control of the Department of Education is too often construed as placing it without the bounds of our Public School System.

We believe that the establishment of such courses or schools as we have in mind is the

logical first step towards the objectives that the Technical Schools and Youth Projects are organized to reach, and that grants should be made by the Provincial and Federal Governments to Technical Education in the schools as well as to the special classes that now receive such grants. The Youth Projects are a temporary measure which would be less necessary if girls and boys of high school age had an opportunity to receive more technical training as part of their High School course.

May we recommend, in addition to the above, the following requests contained in the brief presented by The Canadian Teachers Federation."

And there are six there. And then the summary on page 17---

THE ACTING CHAIRMAN: You might perhaps put the suggested recommendations on the record.

MR. STEPHEN: You would like us to read them?

THE ACTING CHAIRMAN: Yes, then reference can be made to them.

MR. STEPHEN : Thank you.

" First. An extension of the work now being done by the Educational Branch of the Dominion Bureau of Statistics be made.

Second: Consideration of the establishment of a National Bureau for research in the social services.

Third: The establishment of a Central National Library.

Fourth: A programme of educational broadcasts for schools.

Fifth: Additional facilities for the showing of films of educational value.

Sixth: A programme of teacher training in the broader aspects of health and physical education."

And then the summary on page 17.

"For conciseness of presentation, we, The Provincial Association of Protestant Teachers of Quebec, recommend:

1. (a) Unconditional Federal Subsidies to broaden, equalize and universalize education or, if this be not possible (b) relief of the Provincial Government from some of its present expenditures on social services or (c) the imposition of income taxes to be the prerogative of the provinces.
2. (a) That legislation be enacted by the Federal Government so that, in a period of general economic distress of an emergency character, the teachers' salaries will not be lowered below living necessities because of the depletion of provincial treasuries.
(b) That Federal Scholarships be provided to permit of post-graduate studies for teachers.
3. That the Department of National Health undertake the provision of health services for all the children of the nation; or, failing this, the Federal Treasury lend encouragement to such services by sharing the cost with the provinces.
4. That steps be taken by the Federal Government to establish a system of National Scholarships to give assistance to a large number of brilliant but needy students throughout the Dominion.

5. Technical - Vocational. (a) That the Federal Government, as well as the Provincial Government, should make provision in their support of Technical and Vocational Education for the inauguration of such courses in the curriculum of our Public School System; that is, that there should be Intermediate and High Schools offering technical courses for girls and boys similar to the courses offered in Junior High Schools.
- (b) That such courses be approved by and under the control of The Protestant Committee of the Council of Education".

This is respectfully submitted.

COMMISSIONER MacKAY: Do you think that unconditional subsidies to the provinces, increased subsidies to the province without any condition attached, would be sufficient?

MR. STEPHEN: Might I explain what we mean by the word "unconditional"? Our meaning of the word "unconditional," if I might read what I jotted down to explain that. It means that portion of federal grants to education for Protestant schools be given through the provincial secretary and the Department of Education and be controlled and distributed by the Protestant Committee for Education. In other words, that all money for Protestant education should be administered by Protestant authorities.

COMMISSIONER MacKAY: Do you mean this; that the Dominion should give a lump sum for education without laying down detailed conditions, is that what you mean?

MR. STEPHEN: That is what I would suggest.

THE ACTING CHAIRMAN: But handled through the Department of Public Instruction, I suppose?

MR. STEPHEN: Yes, handled through that department.

THE ACTING CHAIRMAN: Because, of course, you are speaking of Quebec.

MR. STEPHEN: I am speaking of Quebec. May I add another word of explanation. Our government gave approximately \$143,000. for education, specifically to aid teacher's salaries. One stipulation of that grant was that no additional grant should be given to municipalities over a population of 5,000. The result is that in a place like Drummondville with a population of well over 5,000, not one cent is given the Protestant schools, although there is only a Protestant population of four or five hundred. In this way, Protestant schools having

only 400 or 500 pupils get none of the grants whereas large places such as Montreal West are receiving \$24,000. In such places, it is not nearly as badly needed. Therefore, we ask that the Protestant members be given control.

COMMISSIONER DAFOE: Have you any idea as to what percentage of the educational cost you think the Dominion should contribute?

MR. STEPHEN: What the Dominion should contribute?

COMMISSIONER DAFOE: Have you any view as to what amount or as to what per cent it should be?

MR. STEPHEN: We feel that there should be an addition from 6.3 per cent or what the provincial government is now giving to education up to 50 per cent of the cost of education, between the two governments.

COMMISSIONER DAFOE: The Dominion and the provincial governments between them should raise that grant?

MR. STEPHEN: Yes, 50 per cent of the cost of education. At the present time it is 9 per cent of the cost of education which is being provided by the municipality. This comes directly from real estate taxation. We feel that is an impossible situation.

COMMISSIONER DAFOE: In addition to that Dominion contribution making up a portion of that 50 per cent, would that also cover the special grants you mentioned in three and five?

MR. STEPHEN: I believe if the Dominion government and the provincial government raised their contributions to 50 per cent, that would include what special grants we suggest. In other words, we could have an educational system in Quebec, with 50 per cent of the cost being paid by the government which would not be equalled any place else in the world.

(Page 8369 follows)

COMMISSIONER DAFOE: Some of the comparisons you make with Prince Edward Island and British Columbia deal with a rather different set of circumstances which are local to the province, owing to the manner in which the population is distributed, the governments' control a large amount.

MR. STEPHEN: Yes, but on the other hand, sir, over in Great Britain you find autonomy of authority in the boroughs, yet 50 per cent of the cost of education is contributed by the central government and there is no control of the various local districts by the central government. South Africa is in somewhat the same condition as we are, so far as scattered population and so on is concerned and yet 65 per cent of the cost of education is contributed by the central authority.

COMMISSIONER DAFOE: Without having anything to say about administration?

MR. STEPHEN: Administration is left, naturally, in the hands of the various states in South Africa, but there are inspectors appointed by the central authority.

COMMISSIONER DAFOE: In order to make sure the proper standard of education is maintained, I suppose.

MR. STEPHEN: Yes, and I should have made that qualification so far as England is concerned. Inspectors are appointed there, of course, to see that the standard is kept up.

COMMISSIONER DAFOE: You are aware that in Australia and New Zealand the government pays the whole "shot," are you?

MR. STEPHEN: I have a note of it right here.

THE ACTING CHAIRMAN: Mr. St. Laurent, Have you any questions to ask?

MR. ST. LAURENT: I have one or two questions to ask, Mr. Chairman.

BY MR. ST. LAURENT of MR. STEPHEN

Q. On page three in the first paragraph of your brief, you speak of equality of educational opportunity. I suppose that does not mean absolute equality? It means such relevant equality as circumstances make practicable, does it not? A. Yes, that is correct.

MISS MACKENZIE: But circumstances make for great inequality.

Q. But circumstances inevitably create some inequality which it would not be practicable to overcome, is that not so? A. That is true enough, yes.

Q. You do not mean absolute equality, but such practicable equality as is possible, do you not? A. Yes, that is correct.

Q. And you think that a contribution from either the provincial government or the federal government or both governments to the extent of 50 per cent of the cost of education would give this practicable equality of opportunity for the Protestant population in the province?

A. Yes, that has been proven in other provinces and in other countries.

MISS MACKENZIE: We are also of the opinion that if the grants which are made by both the Dominion and provincial governments were donated to the Department of Education, rather than to the other various departments of the provincial system, then that fraction of it which belongs to the Protestant people could be given to the Protestant Committee for administration. In this way, we would have a very much better educational system. At least, we have no complaint to make as to the fairness of the distribution according to the sums

granted through the Department of Education; we get our fractional share. However, as there are many grants made through the department of agriculture, the department of mines and other departments, in which we cannot share, that it is our view that if a fraction of these funds were given the Protestant Committee for administration, we would fair very much better.

BY MR. ST. LAURENT

Q. And that would apply to such grants as have come from the federal treasury, would it?

MISS MACKENZIE: Yes, especially for vocational and technical education .

MR. ST. LAURENT: Of course, you realize that under present conditions there might be some delicacy in attaching any strings which looked like regulation of education to the grants from the federal treasury. These have just been given to the province for the purpose of vocational training without any stipulation as to where they should go.

MISS MACKENZIE: They are applied to vocational training, but the small Protestant schools in the rural areas do not have vocational training. It is only in the big cities that an English child has a professor speaking English, teaching these classes. It is only in the larger places, that this opportunity is presented. In the smaller places there is no opportunity whatever for vocational or technical education to be taught to the Protestant minority.

MR. ST. LAURENT: So that the recommendation would be that some scheme be devised whereby this educational grant from whatever source, be handled by the Department of Education so that the proportion going to the Committee on Protestant Education could be distributed by that

means.

MISS MACKENZIE: We could not entirely recommend that because they go to the various departments of the government. We feel that these grants which are made by these departments should be made available to the Protestant group through the Protestant Committee. This committee would see that the Protestant children had their share of technical and vocational education. The same thing would be true in Agricultural education, for instance.

MR. ST. LAURENT: So far as agricultural education is concerned, there is agricultural education given, I understand, at MacDonald College, at Oka, at Ste. Anne de la Pocatiere, and I believe that at MacDonald College--

MISS MACKENZIE: Most of the English-speaking Protestants go to MacDonald College.

MR. ST. LAURENT: And most of the teaching is given in English, is it not?

MISS MACKENZIE: Altogether, I believe.

MR. ST. LAURENT: That should lump fairly large in the agricultural services of the province?

MISS MACKENZIE: It is a more advanced technical form of education. We desire it for the children of the farmer and the person who does not reach MacDonald College because his education is not sufficiently vocationalized to bring him there. His education is too meagre, as it was obtained in the small rural Protestant schools.

MR. ST. LAURENT: You would say, I understand, that this training should be available in the elementary schools?

MISS MACKENZIE: Available everywhere for girls and boys.

MR. ST. LAURENT: That is something towards which not only the Protestant population, but the whole Catholic population may look forward.

MISS MACKENZIE: I believe it should be made available for the Protestant children.

MR. ST. LAURENT: You are not suggesting that there is any greater unfairness towards Protestant elementary schools than to the Catholic?

MISS MACKENZIE: No, except that we are so small, we cannot do as well as if we had more pupils.

MR. ST. LAURENT: So far as grants are made available for elementary training, the system by which they are distributed is not more fair to either one or the other, is it?

MISS MACKENZIE: We think it is not fair to the Protestants at all. It does not give us as great an advantage.

MR. ST. LAURENT: It is perhaps, not distributed to the best possible advantage, but so far as distribution of the amount goes, it is not unfair is it?

MISS MACKENZIE: It does not come to us at all.

MR. ST. LAURENT: But it is applied in such a way that a proportion equal to the proportion of Protestants is available for you, is it not?

MISS MACKENZIE: There are not the schools available.

MR. ST. LAURENT: You are speaking of agricultural schools, and there is MacDonald College.

MISS MACKENZIE: Yes, for the advanced students. There are not enough Protestant people to make it worthwhile to establish all the different types of schools. We feel that we are not using to the best possible advantage this money which the federal and provincial governments are giving towards these things because they

do not come through the right channels, that is the channels for the English-speaking population.

MR. ST. LAURENT: Well, I would like you to be quite clear on that, because if there is a suggestion that in the handling of these monies there is unfairness to the English-speaking or Protestant population, it would be something new to me and I would like to have it quite clear.

MISS MACKENZIE: No, but the schools now-established are not able to handle technical and vocational educational work as it is handled in the large cities. The limitations for the English-speaking children are also there because they cannot avail themselves of these larger schools, partly because of the language disability and partly because of the fact that the English-speaking child is not always in the localities where these schools are. Therefore, these technical schools which are not under either department of education but are under the provincial treasurer, are more available to the French-speaking child than the English-speaking child.

MR. ST. LAURENT: "More available" is that quit fair? Are they not available to French-speaking children as well as English-speaking children?

MISS MACKENZIE: Yes, but our English-speaking children are more scattered and are more difficult to get together for elementary agricultural training.

THE ACTING CHAIRMAN: This brief will be filed as exhibit number 347.

EXHIBIT NO. 347:	Brief of the Provincial Association of Protestant Teachers of Quebec.
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THE ACTING CHAIRMAN: I am sure you have presented a very helpful brief which will be given every consideration.

(The Commission adjourned at 5 p.m. Friday, May 13, 1938, to resume at 10:30 A.M. Saturday, May 14th, 1938.)

ROYAL COMMISSION ON DOMINION-PROVINCIAL RELATIONS

REPORT OF HEARINGS

MAY 14 1938

REPORTERS:

George Thompson
John Robertson
David Torry

FRENCH REPORTERS

H. P. Hould
F. Cuellet



QUEBEC, Quebec, MAY 14, 1938

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MR. G. B. CLARKE

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QUEBEC, Quebec, MAY 14, 1938

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ROYAL COMMISSION ON DOMINION-PROVINCIAL RELATIONS

QUEBEC, Quebec, MAY 14, 1938

The Royal Commission appointed to re-examine the economic and financial basis of Confederation and the distribution of legislative powers in the light of the economic and social developments of the last seventy years, met at the Palais De Justice, Quebec City, Quebec, on Saturday, May 14, 1938, at 10.30 a.m.

PRESENT:

COMMISSIONER JOSEPH SIROIS....THE ACTING CHAIRMAN

JOHN W. DAFOE, Esq.)	
DR. ROBERT ALEXANDER MacKAY	)	Commissioners
PROFESSOR HENRY FORBES ANGUS)	

Commission Counsel:

Louis S. St. Laurent, K. C.

Secretariat:

Alex. Skelton, Esq.	Secretary
Adjutor Savard, Esq.	Secrétaire Français
R. M. Fowler, Esq.	Legal Secretary to The Chairman
Wilfrid Eggleston, Esq.	Assistant to the Secretary

FOR THE CANADIAN ALLIANCE FOR WOMEN'S VOTE IN QUEBEC:

Miss Idola Saint-Jean	President
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FOR THE MONTREAL BRANCH OF THE

CANADIAN ASSOCIATION OF SOCIAL WORKERS:

Miss E Goldman	Representative
Miss J. Wisdom	"
Miss M. Ramsden	"
Miss F. Philpott	"
Mr. G. B. Clarke	"

Palais de Justice,
Québec, P. Q.,
Le 14 mai, 1938.

SEANCE DE L'AVANT-MIDI.

La Commission se réunit à 10.30 A. M.

LE PRESIDENT SUPPLEANT: Nous allons entendre
L'Alliance Canadienne pour le vote des femmes du Québec.

Mlle IDOLA ST-JEAN: Si vous voulez me permettre,
Monsieur le Président, avant de vous donner lecture de
mon mémoire, je vous donnerai lecture d'une lettre que
j'ai reçue de la Fédération Nationale St-Jean Baptiste.

La fédération Nationale St-Jean Baptiste groupe la
plupart des Canadiennes-françaises de Montréal, c'est la
société vraiment française de Montréal.

Nous leur avons envoyé une copie de notre mémoire
et voici la lettre qu'ils nous ont adressée hier à la gare.
Nous n'avons pas pu l'inclure dans notre mémoire car elle
ne nous est parvenue qu'hier à la gare:

"Mademoiselle Idola St-Jean, Présidente de
L'Alliance Canadienne pour le vote des femmes du
Québec, 368 avenue Elm, Westmount;

Chère Mademoiselle,

La Fédération Nationale St-Jean Baptiste est
heureuse de vous transmettre une résolution prise
à l'assemblée du Bureau de Direction tenue le
vendredi, 13 mai, et par laquelle elle vous autorise
à ajouter le nom de la Fédération aux requêtes que
présente L'Alliance, (a) à l'honorable M. Rowell,
Président de la Commission Royale des Relations
entre le Dominion et les Provinces, (b) à Monsieur
Edouard Montpetit, Président de la Commission pour
la Révision des Impôts, (c) à l'honorable M. Rogers,
Ministre du Travail, à Ottawa, et dont copies nous
ont été remises.

Veuillez agréer l'expression de nos meilleurs sentiments.

(signée) Alice de L. Brossard,
Vice-Présidente.
Georgette Le Moyne,
Secrétaire-Générale.

Montréal, le 13 mai, 1938."

LE PRESIDENT SUPPLEANT: Voulez-vous nous la laisser, Mademoiselle St-Jean ?

Mlle ST-JEAN: Je ne peux pas vous la laisser parce-que nous en aurons besoin pour appuyer le rapport que nous présenterons à la Commission Montpetit et la demande que nous allons faire à l'hon. M. Rogers.

Cependant, lundi, nous en ferons faire des copies et nous vous les enverrons.

LE PRESIDENT SUPPLEANT: La lettre sera produite comme exhibit 347 ?

M. ST-LAURENT: Comme No. 348.

LE PRESIDENT SUPPLEANT: La lettre sera produite comme No. 348.

Mlle ST-JEAN: Voulez-vous que nous donnions notre rapport en Français ou en Anglais ?

LE PRESIDENT SUPPLEANT: Si votre rapport est préparé en Anglais, vous pourriez le lire en Anglais car, je crois, ce serait préférable pour les autres membres de la Commission.

Mlle ST-JEAN: Nous l'avons traduit en Anglais.

Nous désirons tout d'abord exprimer nos regrets de l'absence du président de cette Commission, l'honorable Newton W. Rowell, et nous souhaitons la bienvenue au second président à qui nous devons d'ailleurs nos meilleurs remerciements pour les modifications apportées au code civil en 1931.

(Suite à la page 8378)

"To the Hon. Judge N.W. Rowell, Chairman, and to the Members of the Royal Commission on Dominion-Provincial Relations:

Honourable Sirs:

We have the honour to suggest to the Royal Commission on Dominion-Provincial Relations certain modifications of the Income Tax Act.

We recommend first that the exemption of the unmarried, widower, and widow be increased to \$1,500 from the \$1,000 provided in item 32 of the Act of 1937. We also ask that the exemption of married or unmarried persons, widowers or widows who maintain a domestic establishment in which one or more persons are supported be increased from \$2,000 to \$2,500 or \$3,000 if possible.

We base our request on the cost of living which is very much higher than in years past, on the sales tax which is imposed in some cities, and on the difficulties of life which become more and more numerous.

We also ask that the present law be modified so that people who take charge of a person, or persons, whether related by blood or not, whom they wholly support have the right to the exemption of \$2,000 or more if our first suggestion is accepted.

In order to prevent abuses, it would be desirable to require a declaration from the two interested parties."

THE ACTING CHAIRMAN: Do you develop this paragraph of your brief later on or what do you mean by that?

MISS SAINT-JEAN: The law states that only people supporting blood relations should have the exemption of \$2,000. By blood relation is meant brother or sister.

For instance, if a woman or a man supports a niece or cousin or even a very dear friend, whom the man or woman would like to support, and who has passed the age for adoption, that man or woman is not entitled to the exemption of \$2,000. We consider that this is unfair. If these people take charge of persons, whether they are blood relations or friends, we believe it should be considered that they are rendering a service to the country. As we suggest further along, if a man makes a present of \$100 to a charitable institution, he is granted the exemption of \$2,000. I think that is very unfair as it costs more than \$100 to support a person.

Continuing to quote from the brief:

" We believe that persons who maintain either friends or distant relations who have passed the age of adoption but whom they consider as their family, render a service to the country, and since the Act exempts donations to charitable institutions, it seems to us that the cases mentioned above should also be classified in that category."

I was talking to a business man a few days ago and he told me that he was in full accord with these requests. He supports two families and he cannot claim exemption, although he says that these families live according to their rank. He is absolutely meeting all the expenditures, yet when he reported it to the Commission, he could not have his exemptions. He said, "You are absolutely right." I think it would induce people to take care of their families and not let them be a public charge and a burden upon the public treasury.

Quoting from the brief:

" Permit me, Gentlemen, to make a digression from the questions which directly concern the

Commission to bring to the attention of its members the conditions imposed on the women of our province.

In nine provinces of the Dominion, one alone refuses to its women, that is to say to one half of its population, the right to be represented in the provincial Parliament. This condition is not only contrary to the spirit of democracy which seeks to promote government of the people by the people and not by half of the people, but further presents a national danger. In the grave questions which are of Federal concern our women are called upon to vote along with the women of the other provinces and as they are not emancipated in their own domain, we have reason to doubt that their political education is as complete as that of women who take part in local, provincial and national politics.

If it seems opportune to the Commission to give an opinion on the question, we are certain in advance that it will be favourable to us, because our demand for political freedom is based on logic and justice. The women of Quebec have the same obligations as the men without enjoying any of their rights."

This was well covered by the League for Women's Rights, yesterday. We do not need to emphasize that part of it.

THE ACTING CHAIRMAN: Yes, Mrs. Casgrain spoke of it.

MISS SAINT-JEAN: I continue to quote from the brief:

" We take advantage of this occasion to say to the Chairman, Chief Justice Rowell, how gratefully the women of Canada remember him.

We remember, when Mr. Rowell, when he was acting Prime Minister, in 1918, called a convention

in Ottawa of the women of all the provinces to consult them concerning the services they might be able to render in the difficult hours of the Great War.

We also remember with gratitude that he advocated the feminist cause before the Privy Council on the question of admitting women to the Senate with so much eloquence as to win success.

We thank you, Gentlemen, for the kind attention which we feel sure you will give to the request which we have the honour to submit."

(Signed) Idola Saint-Jean
President

Emilia L. Lamarche
Secretary

THE ACTING CHAIRMAN: We will certainly see that Mr. Justice Rowell receives a copy of this brief. He will be gratified to see the gracious manner in which you have referred to him. Have you any questions which you would like to ask, Mr. St. Laurent?

MR. ST. LAURENT: There are just one or two questions with respect to wages.

BY MR. ST. LAURENT of MISS SAINT-JEAN.

Q. You know, of course, that there is a fair wage board in operation and that the fair wage board has promulgated an order which is to come into force on the 15th May which fixes an equal scale of wages for women and men in all classes of labour outlined in that order, do you?

A. Yes, but we are not very pleased with these, so called reasonable salaries. We are no more pleased with these than we were with the minimum wage commission which cost a lot of money without bringing very good results to those interested. The first reproach we have to make

is that no women were sitting on that commission. It seems a little ridiculous to think that men are gathered around a table discussing how much certain articles pertaining to women, articles de toilette pour dames, sous-vêtements de toilette pour dames -- all these things are discussed by men. I think the women should have had their say, as is done in all other provinces. I think these are very intimate questions and I wonder why the situation has not been portrayed by some cartoonist. I think it would make a very fine cartoon because it is absolutely ridiculous. The wages offered by the commission for reasonable salaries, were protested against by the teachers.

Q. But, that is the same for both men and women, even though the scale may be at a low level? A. Yes, absolutely, and we believe the prosperity of the country is dependent upon the money circulated. If people earn money, they will purchase and if people purchase, goods must be manufactured.

Q. This order has already made some improvement, it may not be sufficient improvement, but it is some improvement over prior conditions, is it not? A. Well, some, but it is always much harder to modify a bad law than to make a good one at once.

Q. Do you think it would have been easier for this Commission to achieve at one stroke the level at which they might wish to put teachers' salaries in the province, rather than gradually educating the population to the necessity for paying reasonable salaries? A. Well, Mr. Chairman, I think that the teachers should not have been dealt with at once, and not taxed. We would have liked to have been able to make suggestions before any decision was made concerning teachers' salaries. For

instance, les bedeaux, les sacristains, who do not need any expensive education, are paid higher salaries than those paid to the teachers, either men or women. I really think it is too bad for the dignity of our province because, after all, these people have a very great responsibility. How could men and women have any ambition to continue in such a profession when the salary is as low as \$25.00 per month. Their only ambition is to get out of this profession.

Q. It is a fact, is it not, that the teaching profession was a clear example of the ridiculously low wages in the province? A. Yes, that is a fact.

Q. And that these rates which are paid are fixed by the local boards throughout the whole province? It is not an easy task to convince these boards that they should spend more money because that money is raised by taxes, is that not a fact? A. It is a very difficult situation, I think, that school boards have no women on them. There should be people on these boards who know how to read and write. We realized, from some of the correspondence we sent to some of these boards, that some of the personnel lacks education. How can a person who has no education possibly realize the value of it. I think teachers should be much more highly paid than other workers and that they should have special consideration.

In considering the allowance of the vote for women in the province of Quebec, our Association has been doing educational work along these lines for quite some time.

Q. Your association has been doing educational work along those lines, has it? A. Yes, and I suppose it will still continue.

Q. You will probably agree that when the majority of

the women in the province of Quebec, believe they should have a vote, they will ask for it and will probably get it? A. We have had ~~agitation~~ and we have ~~made request~~ after request. I do not know what happened to these requests, but they were probably thrown into the waste basket. I spoke, myself, on this question at the Congress in 1937. We have received letters, telling us of instances where teachers were paid salaries of \$75.00 a year and were obliged to keep the school. We had been asked by the men who organized that congress not to speak about the vote as that was a question which had been discarded. I replied to them that I had been asked to speak in the name of the rural teachers and I would speak concerning any matter which I thought should be brought to the attention of the commission. I believe, and I have said so to the women many times, that anyone who says we should not attempt to get votes for women, are the enemies of the women. I think that saying women do not want a vote is not a very good reason. They do want to vote. I can give you an instance. At the time of the Coronation of the King, we wanted to send an appeal to the King, asking him, not to give a vote to women, because we knew perfectly well the King did not have the power to give the vote to the women of Quebec, but to bring the matter to his attention and get an expression of sympathy from him. It was a matter affecting one part of His Empire, the province of Quebec, and we desired an expression of sympathy from Him. Of course, we had a great deal of trouble bringing that before the King and no doubt it was, lese majeste, but we had it brought, ourselves to Buckingham Palace.

We appealed to the women of the Province of Quebec, one appeal over the radio and two appeals in the press, and in less than three weeks and without spending one cent of money to sponsor the thing, - it cost us \$12.00 in stamps to send the petitions, - we had replies from the most remote villages of the Province of Quebec, and we gathered about ten thousand names, societies, making the petition very important and bringing in thousands of names in less than three weeks.

Q. Did you say there were one hundred thousand names sent in?

A. There were some societies telling us their membership and all that, and we had more than eleven thousand.

Q. About eleven thousand?

A. About eleven thousand individual names.

Q. How many members are in this alliance of which you are the President?

A. Well, I did not take the statistics, but in Montreal we have some thousands, and we have societies grouping themselves with the alliance.

Q. What would be the approximate number of the membership throughout the province?

A. I would say about 15,000 or 20,000, because at a certain appeal we can group all the women. We have the W.C.T.U., which works hand in hand with us; we have the Youth Congress, which works hand in hand with us; and we have the Labor Clubs who are all with us.

Q. You seem to be in a fair way of getting a very substantial number of the women of Quebec interested in the question?

A. We couldn't give you the real number, we are telling you the societies. We do not know their memberships. The W.C.T.U., for instance, have centres in every part of the province.

Q. Do you not really believe when there is a majority of the women of Quebec want the vote that they will get it?

A. I do not know whether they would or not, but I believe if every woman in the Province of Quebec would claim her right to vote she could get it. First of all, it is not a question of imposition, they are not compelled to vote. How many men do not vote during a campaign? Yet they tell us, why do you care to vote? Well, no campaign was ever drafted to take away the vote from the men for the reason they did not care to vote.

Q. Of course, you realize, Miss St. Jean, that this is a matter which is within the legislative jurisdiction of the Quebec Legislature? A. Yes, of course it is.

Q. And no change can be imposed upon that legislature. Now, is it not your experience with the men of Quebec that what a majority of the women want, they get? A. I would not say that, Sir, because the Federation Nationale St. Jean Baptiste since 1922 has recommended the Mothers' Pension, and we could not get it from the Taschereau Government. We are supposed to have it from Mr. Duplessis Government but I do not think it works to the great satisfaction of the women. Since 1922 we have been claiming that. We are absolutely in a position to prove that we have asked - but in a democratic country the one who does not vote does not count - it is absolutely, first of all, against the dignity of our province.

Q. You are still fostering the educational movement among the women of the province, and the number is, I think, increasing, of those who are taking an interest in the work? A. We believe all the right thinking women are in favour of having their rights.

Q. Do you not believe that the number of right thinking women is possibly increasing. A. I hope so. If our system of education were as good as it should be I do not think there would be one woman or one man who would not

say that the right to vote is the greatest right of a citizen under a democratic system.

THE ACTING CHAIRMAN: Thank you. This brief will be filed as Exhibit No. 349.

EXHIBIT No. 349.

LE PRESIDENT SUPPLEANT: Si vous vous rappelez, la Commission vous a accordé beaucoup plus que la Législature.

Mlle ST-JEAN: Nous sommes très reconnaissants à la Commission de 1931. Naturellement, il y a bien des choses qui restent encore.

LE PRESIDENT SUPPLEANT: La Commission a accordé beaucoup plus que la Législature a laissé passer.

Mlle ST-JEAN: Nous avons toujours demandé beaucoup plus que nous recevons.

THE ACTING CHAIRMAN: We will now hear the Canadian Association of Social Workers. I understand Miss Goldman will present this brief.

Miss E. Goldman was called.

MISS GOLDMAN: I would first of all like to say that we regret very much Mr. Rowell's indisposition, and we appreciate the opportunity of appearing before you to-day.

"This brief is submitted by the Montreal Branch of the Canadian Association of Social Workers, a national organization composed of professional social workers engaged in all types of social work, including family welfare, child protection, medical social work, psychiatric social work and preventive services in the fields of education and recreation. Its membership, which is drawn from a variety of races and creeds, reflects the attitude of professional social work, rather than that of any one social agency or group of agencies. As an Association, its aim is 'to bring together professional social workers for such co-operative effort as may enable them more effectively to carry out their ideals of service to the community.' It is with this object in view that the material is presented."

This brief has been given a great deal of consideration on our part, and I am afraid it is rather lengthy. I will not attempt to read all of it, but there are certain passages in it which we feel are quite important, and whole sections which we would like to emphasize, and would therefore like to read in their entirety.

"While the details of the material are naturally concerned with conditions in Quebec which we know best, we wish to emphasize here our belief that the implications are of such magnitude and complexity,

"that the Quebec situation, as that of any other Province, must be regarded as part of a larger Canadian problem, which can only be satisfactorily approached from a national point of view."

We have divided this brief into six sections and have called them:

- I. The Slow Growth of Government Social Services in Quebec.
- II. Inadequacies of the Present Relief System.
- III. Problems in Relief Administration.
- IV. Employment Projects and Social Security.
- V. Personnel and Research.
- VI. Conclusions and Recommendations."

Our first section deals with the slow growth of Governmental social services in Quebec. In this section we have tried to show that Quebec, which for centuries has led a rural life, within the past thirty years or so the ratio has completely reversed itself. In 1931 only 36.9% of the people of the province was rural, and 63.1% was urban; whereas in 1891 it was just the reverse. With this, we find that privately controlled or privately endowed societies which, throughout the last few centuries have been quite adequate in handling the charity problem in the province, have found themselves quite unequipped and inadequate to handle it at the present time. To quote Mr. Albert Chevalier:

"Until the year 1905.....in the City of Montreal the commitment of neglected and dependent children, juvenile delinquents, the insane, the sick; and of all those deprived of the necessities of life was submitted to the consideration of the the judges and

"the personnel of the Recorder's Court. In 1907, the importance and the number of requests for relief of all sorts were increasing daily and to such an extent that it was then officially decided to establish and designate a special service under the name of Municipal Assistance. 3. The machinery of the city department set up at that time is still in operation to-day but does not look after relief in the home, leaving this task to private charity, that is, to charitable organizations maintained by voluntary contributions.

The number committed to religious institutions both in Montreal and in the Province as a whole increased to such an extent that in 1920 the economic pressure on them became too great for them to bear unaided, and in that year the Provincial Government passed the Quebec Public Charities Act to allow for governmental assistance to be given to institutions. This legislation was made effective in 1921 when the Quebec Bureau of Public Charities was established to administer the Act. This was the first step in the process which has led in other provinces to the major responsibility for planning aid to all kinds of dependents, while in Quebec responsibility is limited to institutional grants.

With the coming of the depression in 1929 the financial pressure on the institutions was overwhelming, notwithstanding the substantial government aid mentioned above. The Quebec Social Insurance Commission, commenting upon certain findings of Mr. Saint-Pierre of the University of Montreal, who had made a study of Catholic institutions, states as follows:"

I will leave out Mr. Saint-Pierre's quotation that we have put in here.

"As the work of institutions has increased, so has that of other social services. The care of the sick in their homes, and the support of their families; the care of the aged outside of institutions; the care of widows and deserted women and their children; guidance and council work for boys and girls in their own home; supervision of children in their own and foster homes; supplementation of wages inadequate to meet the needs of the whole family group and relief to unemployed non-residents, is work which is not covered by grants under the Quebec Public Charities Act and which has been left to private charity. The financial inability of voluntary agencies to cope with the situation, however, has been increasingly apparent since 1929.

The first government recognition of the fact that private charity was not capable of handling all out-door relief, even when assisted by grants from the government, came in 1933 with the formation of the Montreal Unemployment Relief Commission. During the early years of the depression, in conformity with the general practice in Quebec of using privately controlled organizations to administer public funds, the federal-provincial grants-in-aid for unemployment relief were first administered by the private charities. None of these charities was really equipped through experience or with adequate personnel to administer funds to be distributed to such a large group of individuals. Indeed, some of the administrative organizations did not even have a full time paid staff and all commended the action of the St.

"Vincent de Paul societies, to whom fell the disposal of the largest share of government funds, when at their request an Unemployment Relief Commission was set up .

Although such a commission or department has been regarded by the Government as a temporary measure, it serves to show some awareness of the fact that certain social services are of such wide scope as to make it impossible to rely on voluntary contributions to meet the need. The institution of pensions for the Blind, Old Age Pensions and Needy Mothers' Allowances is part of this growth in the Province of Quebec: that is, the government is seeing the need of and partially assuming responsibility for outdoor relief not only by grants-in-aid to municipalities but by direct administration of such grants.

Economy is also a question to be considered. If the cost of maintenance of the institutions is taken into consideration, the care of adults and children in their natural environment, the home, has been found to cost less than their care in institutions. As the government extends the assistance given to maintain the home, the cost of maintenance in institutions should decrease and the need for new buildings be correspondingly less pressing."

Professor Saint-Pierre has told us that there is a very small percentage of children in orphanages now, who could not, in some way or other, be cared for in their own homes or in the homes of friends or relatives, or with one parent, father or mother, if there were sufficient income coming into that home to care for them adequately.

"If the government assistance were extended so that many homes, now broken because of financial strain

"could be kept together, many of the children in the orphanages could be returned to the care and devotion of one or both parents and would have the inestimable advantages of growing up within the family group which is the very basis of our social framework.

Growth of Government Responsibility Essential.

It seems evident that government responsibility for social legislation and assistance to persons in their own homes must continue to grow with the acceptance by government of direct relief costs. Private agencies, which have been forced to spend their money and the time of their workers on the distribution of direct relief, can then develop the specialized services which they are peculiarly fitted to give in the field of prevention of destitution, delinquency and personal maladjustment."

In the next section we have tried to deal with some of the inadequacies of the present relief system.

"In the preceding section we stressed the need of greater government responsibility for social services. Our purpose now is to point out the inadequacies in the existing structure.

When the depression years forced the government to begin to furnish a minimum of assistance to people in their own homes, Quebec found itself with a well-established Bureau of Charities, but still unequipped to handle unemployment relief. Lacking a Provincial Public Welfare Department, the administration for the Province has been consecutively under the Department of Public Works; Municipal Affairs, Lands and Forests; and finally under the Department of Labour. The system is decentralized, for while the Province makes regulations regarding its financial

"contributions, it sets forth no standard of relief, nor even requires that relief be provided at all.

In small towns or rural districts in Quebec either the Colonization Department or some local welfare group assumed responsibility for distribution of relief to the unemployed. A common method has been for two representative citizens in association with the clergy to establish a local advisory unit.

In Montreal, the Unemployment Relief Commission established in 1933, has been reorganized on several occasions, the present Department coming into operation in July 1937. This Department, while charged with the care of unemployed persons, has set up or has had imposed upon it so many restrictions that actually there are many who are able-bodied and unemployed who are refused relief. These restrictions relate partly to residence, rulings regarding earnings or seasonal employment, technical disqualifications, separation or alleged immorality, and partly to the refusal of the Province to bear its share of the cost of certain cases, which they consider to be ineligible. The city in the latter instance must either be responsible for the whole relief bill or cut the family off relief.

The City of Montreal has never established a Civic Welfare Department such as exists in most of the larger Canadian cities to care for chronic dependents. It is this group which is putting such a heavy financial strain on the limited resources of private agencies, and who, together with those unemployed persons denied government relief, make the establishment of a Civic Welfare Department im-

"perative.

Since no schedules of relief are laid down by the Provincial Government, other cities handle the problem in different ways; Verdun, for example, has a work relief programme together with a plan whereby other dependents receive municipal assistance administered through the Protestant Ministerial Association and the St. Vincent de Paul Societies. In Westmount, there is a limited plan of work relief for the able-bodied unemployed, but no new applications are being received for direct relief of any kind.

Inadequacies of the Provisions

In summing up the situation it seems evident that there are totally inadequate provisions for unemployed persons in some areas, while in municipalities where organized departments have been established, the need is not yet completely met. When work relief programmes are put in operation there is not always a plan for caring for other types of dependents. In Verdun, where civic responsibility is acknowledged, it is not yet municipally administered. The idea of distinguishing between unemployed persons and so-called 'unemployables' is highly commendable, since only by breaking down the problem and examining it, can suitable means of meeting the difficulties be found. However, it does make provision for those who do not fit in with such programmes as work relief equally essential."

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"On the whole there is an obvious lack of uniformity in social service provisions throughout the province which requires some form of government supervision and control. Some of the inconsistencies could be remedied through a Provincial Public Welfare Department which would coordinate the work of the Quebec Bureau of Public Charities, the administration of unemployment relief and the provision of services to other dependents. However, since it is known from a recent study made by members of the Montreal Branch of the Canadian Association of Social Workers that this inconsistency is not confined to Quebec alone, but appears to some degree in most of the provinces, it is apparent that provincial responsibility alone is not sufficient. We therefore recommend that greater federal supervision be undertaken in order to meet the problem on a nation-wide basis."

COMMISSIONER ANGUS: Miss Goldman, we have to consider our recommendations from the point of view of all the provinces. Does this statement, which applies to the situation in Quebec, extend to the other provinces too? I mean, are they in equal need of federal supervision?

MISS GOLDMAN: To some extent, yes. I mean they do not have to have the specific problems exactly the way that we do. They have different set-ups. That has been the difficulty, the lack of uniformity in the municipalities in the one province and throughout the different provinces across Canada. And in one form or another their problems have been the same as ours. There are wide scale conditions which I will come to soon, such as

transiency and that sort of thing, which is a Dominion-wide problem.

COMMISSIONER ANGUS: We have had a great diversity of opinion in the course of our sittings as to whether the federal authorities themselves could administer relief satisfactorily or as to whether there should be larger federal contributions to the cost but local administration and so on.

MISS GOLDMAN: Well, we have that incorporated in this brief in the next section to which I am just coming. I think our idea was that certainly the Federal Government should have some say as to what is being done with the money that it pays in the different provinces, instead of handing out the money and saying "this is your share and you are to do what you like with it". They want to know what is being done with it of course. We felt if the federal government had some share in the administrative expenditures, and also if they could set down certain standards, basic standards, it would be more satisfactory. However, if you would like, this is put down much better in the brief than I can tell you about it myself.

"During the last eight years Canada has been faced with the responsibility of caring for formerly self-supporting individuals who are now in need of social security. Because of the suddenness of the need and the lack of precedent in dealing with large scale unemployment, the problem has been handled year after year on an emergency basis without appreciation of ultimate results or the need for long time planning. The main emphasis has been on keeping relief costs

low for the benefit of the taxpayer. After eight years of emergency treatment it is slowly being understood that unemployment is a national and permanent problem. Looking back it is recognized that even in good times Canadian industry has not absorbed the people in the country who are willing and able to work.

Considering the problem of unemployment relief and its administration in the different provinces, the outstanding feature appears to be the lack of uniformity in the interpretation of the Unemployment Relief Acts. The Acts themselves are vague and do not define clearly what is meant by an unemployed person or who is eligible for such assistance. In other words, the Federal Government has merely laid down general provisions and agreed to share in the cost, usually at the rate of one-third the relief bill, leaving the Provinces to work out their own relief programmes. However, with the exception of the Western Provinces, little attempt has been made by Provincial authorities to give supervision or to lay down adequate standards within their respective territories, although they too must pay a share of the relief cost. Decisions regarding relief rates and regulations have therefore rested in the main with the local municipalities who have tended to make the rulings as strict as possible in order to avoid increasing the drain on the local treasury, which must also bear the costs of administration.

In comparing the Quebec situation with other parts of Canada, it will be noted that Quebec lacks

a Provincial Public Welfare Department which would co-ordinate the administration of out-door relief, Mothers' Allowances, Old Age Pensions, and institutional care, as well as all other services pertaining thereto. This would be a step forward in bringing about some measure of uniformity amongst its municipalities, as well as serving as a point of contact with a larger Dominion-wide programme. Until ~~some~~ such provision is made there will doubtless continue to be variations in relief standards and regulations regarding eligibility for assistance.

In Montreal, the unemployment relief set-up, while organized on a large and elaborate scale, shows evidence of too little flexibility as well as the tendency to cut off categories of unemployed persons on technical grounds, without making any other provision for them. In regard to relief rates, the scale is ~~ina~~adequate to meet the 25 per cent rise in the minimum food requirements, having remained unchanged since its inception in 1933."

This estimate was made by the Montreal Diet Dispensary covering a minimum food budget and fresh fruits and vegetables are not included.

"There is no family ~~social~~ service division within the Department. Neither is there any close connection between the unemployed and the Government Employment Bureau. The latter should be an agency at which the relief recipient has a card stamped regularly to show that he is registered for work, and should be a clearing house and centre of information for employers and employees alike. If such a system was co-ordinated throughout the

Dominion so that workers could be advised of the demands for labour in the other parts of the country, greater efficiency in connecting unemployed persons with employment would be possible. Such a scheme, would, of course, necessitate a national outlook on questions relating to mobility and residence which at present are met in an inconsistent and haphazard fashion.

Since lack of uniformity in social services across Canada appears in perhaps its most aggravated form in respect to the question of residence, it is our intention to lay special emphasis upon this problem. The subject is a broad one, including the question of residence rulings, the establishment of legal residence for those who have moved and the methods of caring for those who fail to conform to residence requirements. It affects both families and single men and women. While perhaps most disturbing in relation to the unemployment relief situation, it also appears in connection with health care and other welfare services. In order to facilitate discussion, therefore, the various points will be presented as they relate to two main groups, (1) non-residents, defined as persons or families who move to a municipality with the intention of making it their permanent home, but who have not the residence qualifications required for the type of assistance sought, and (2) transients, or those who move from place to place with no definite intention of establishing permanent domicile.

That the problem is Dominion-wide is clearly outlined in the following extract from a memorandum

prepared by Doctor H.M. Cassidy on 'The Problem of Relief, Health and Welfare Services for Inter-Provincial Transients'".

And this was prepared and given at Ottawa on June 16th, 1936, and revised in Victoria on July 11th, 1936.

"The Province of British Columbia and particularly the city of Vancouver, feel the problem most acutely. The western cities of Calgary, Regina, Saskatoon and Winnipeg are centres in which transients congregate. Certain Northern Ontario Towns in the main lane of travel such as Kenora, Fort William and North Bay are also affected. The cities of Sarnia, Windsor and Niagara Falls are troubled by destitute transients (frequently Canadians who are deported from the United States and who are dumped upon their doorsteps). Ottawa faces the problem of Quebec families moving in, attracted by the higher living standards and the possible opportunities of employment in the federal capital. Montreal, as an ocean port and a large city attracts transients in substantial numbers.

The fact that Montreal, the largest city in Canada, is an industrial centre and also acts as a bottleneck with respect to trans-continental transportation, intensifies the problem. Lack of educational and medical facilities in rural areas also cause families to move to the city in search of these services."

I should like to quote from this paper or study:

"The Non-Resident problem in Montreal" which was a report of the Non-Resident Committee of the Montreal Family

Welfare Association;

"While some of the families brought so forcibly to the attention of social agencies may be transient, more frequently they come in good faith with every intention of settling down and making the new community their permanent home. They come to find work in what seems to them to be a more hopeful environment, or they may even be transferred to a job, only to find that the job was temporary and they are stranded without funds. When they apply for relief, they are refused because they do not conform to the residence regulations of the municipality. Moreover, with residence rulings as diverse as they are today, it is quite possible for a family to find itself without legal residence anywhere. In fact, the very stringency of our residence laws may virtually force some families into a transient existence.'

The statement made in the bulletin of the National Employment Commission entitled 'Lost Residence' issued in October 1937, that 'Definitions of legal residence vary markedly, not only from Province to Province, but even among municipalities in the same Province', has been further borne out by a study recently completed by a group of Montreal members of the Canadian Association of Social Workers. Yet in a young country, rich in natural resources, such as Canada is, mobility is likely to be a normal phase of our social economy for many years to come.

In the four western provinces there appears to be a degree of provincial supervision over non-

residents and transients within their respective borders, but there is no general agreement on inter-provincial responsibility. Ontario has established reciprocal arrangements amongst its own municipalities for the return of non-residents to their place of legal residence, or as an alternative, the reimbursement of costs by the municipality of legal residence for one year after the recipients' removal. However, there are no definite arrangements with other provinces, nor is there any generally organized provision for transients who are frequently given a night's lodging in the local jail. The Maritime Provinces appear to have even less provincial planning for non-residents or transient groups.

In Quebec, where there is no Provincial Public Welfare Department, there is also no Provincial supervision of the non-resident and transient unemployed. Rulings vary even between closely adjoining municipalities, such as Montreal, Westmount, Outremont and Verdun. Montreal states that applicants for unemployment relief must have resided in Montreal for three consecutive years, or if absent from the city during that time, they must prove residence, amounting to double the period of absence, between January 1st, 1928, and the date from which the three years is calculated. In Westmount, the residence requirement is one year. However, while it takes one year to gain residence, it can be lost through one day's removal."

I think there have been certain changes in Westmount, just after this brief was completed.

"At present, the problem is particularly acute because Westmount is no longer accepting new applicants for direct relief; the only provision being work relief for the corporation, which is not necessarily suitable for every type of person, for example, unemployed women, or those fit for light work only. In Verdun, residence was formerly based on one year in the city, but this has recently been increased to two years. In Outremont, the situation is even more confusing, since that municipality has no definite regulations in regard to residence.

Added to the above difficulties are the different qualifications required for hospital care and admittance to other institutions under the Quebec Public Charities Act. In Montreal and adjoining areas, for example, the requirement for free hospital care is five years' residence in Canada and one year's continuous residence in the City. Occasionally the period for Canadian residence is varied, but the municipal residence is quite definite and must be continuous. A family spending six months in Westmount and six months in Montreal, for example, would not be eligible in either place, except in the case of mental hospitals where only six months' residence is ever required. However, some provision is made under the Quebec Public Charities Act for reimbursement to hospitals who care for people lacking residence qualification in the city where the hospital is situated but with legal residence

in some other municipality. Nevertheless, further complications arise when private institutions benefitting under the grant make additional rulings of their own".

To quote again from "The Non-Resident Problem in Montreal":

"None of the above municipalities take any direct responsibility for planning for non-residents except for the Department of Municipal Assistance, which is connected with the Department of Public Health for the City of Montreal. This Department, while charged with the duties of repatriation, has not been able to function effectively due to insufficient funds and staff. Moreover, the only assistance which it can offer in Montreal is through referral to refuges.

In the past the burden has therefore fallen upon voluntarily supported agencies, who have long since been aware that they are financially unable to cope with the problem. As Doctor Cassidy has stated, 'it was inevitable that private effort in this field would fail. Private charity has proven quite unable to meet the problems of those who were cleary residents of a given community and it is very much harder to raise money privately for the non-resident than for the resident. To turn the problem of the transients back to private effort would be impossible at the present time.

In 1936, for instance, the study made by the Family Welfare Association showed that in that agency alone the total number of non-resident

families for the year reached 178 families, costing \$13,227.40, representing 10 per cent of the total relief expenditure of \$128,753.48. This does not include an additional 176 non-resident families who applied but were not accepted by the Family Welfare Association in that same year. Other social agencies in Montreal have found similar difficulty in dealing with the problem of non-residence. Now, owing to lack of funds, the Family Welfare Association, the Catholic Welfare Bureau of Montreal, and others, are unable to accept applications of any able bodies non-resident. A number of families at the present time are therefore being faced with actual starvation because of the residence rulings. Although some of these families may still have residence elsewhere, there would be no advantage, in returning them to their place of legal residence which, in many cases, offers neither work nor relief of any kind.

Ultimately the community is forced to assume responsibility for a number of these non-residents. Definite instances can be cited of persons admitted to hospitals in order that they might be provided with food, a form of relief which is unnecessarily expensive. In some instances non-residence has also created a difficulty in securing employment, as in Montreal employers have been known to refuse work to applicants without identification cards."

Up to the present time no consistent attempt has been made by governments to deal with the problem of transiency. Night shelters provided by public and private institutions, jails and missions are completely inadequate to cope with the increasing number of transients drifting into the urban centres. Since September 1937 the Anglican Church has given temporary assistance to more than eleven hundred homeless men, most of whom have been in the city less than six months. Other private shelters report serious overcrowding, the Salvation Army Metropole having had as many as seventy-five men a night sleeping on the floors.

It seems obvious, therefore, that some government plan will have to be made to care for non-resident families and transient persons and that since the problem is national in scope, the need for uniform regulations and adequate standards of care would best be met through the Federal supervision of social services.

In order to bring about a co-ordination of social services it will be necessary to cease regarding relief as an emergency measure and to try to work out a definite and well-integrated system. This system would include not only relief, but other forms of social aid, such as works projects and social security legislation, which will be further stressed in the following section. Regarding relief, however, the recommendations which appear sound to the Montreal

Branch of the Canadian Association of Social Workers are:

1. That a re-evaluation of Federal-Provincial relationships be made with the emphasis on greater Federal supervision of social services throughout Canada.
2. That Federal legislation be enacted to provide adequate and uniform care for non-residents and transients. This would allow for greater mobility of labour and would prevent some of the present unnecessary suffering.
3. That the employment services be nationalized in order to facilitate a free movement of labour and that these be operated in close co-operation with departments in charge of unemployment relief."

Our next section, which we have called "Unemployment Projects and Social Security" is as follows :

"No matter what other plans can be suggested toward re-absorbing people into industry, it would seem obvious that within the present economic situation there will always remain that hard core of unemployment, including seasonal workers, those affected by fluctuations in the market, and those who must be termed unemployable for various reasons. Consequently, there will always be dependent groups of people. It is a regrettable fact that this situation should exist in a young country with natural resources such as those of the Dominion of Canada. It is equally regrettable that undifferentiated grants of

monetary relief should be almost the only aid resorted to at present, since this method not only fails to meet the need but creates further problems of ill-health and dependency. There is no such thing as good relief without constructive services, whether of advice, training or works programmes. But if the maintenance of destitute people is undertaken, it is at least necessary that allowances should be adequate and based upon the costs of living rather than the lowest possible amount necessary to sustain life."

"Proposals for Recovery.

Methods already in operation in some sections of the Dominion have resulted in (1) arbitrarily breaking up the relief rolls into categories of employable and unemployable, thus unwisely often putting large numbers of potential workers now unemployed into the position of indigents, and (2) the development of "crisis cripples" unable to compete successfully with employees on a job, obliged to work under different conditions from other workers who have kept up their skills and therefore forced to accept lower wages or remuneration based upon relief rates.

While a policy of pensions that will provide a decent living for handicapped and older workers is highly recommended, care should be taken to avoid classifying men and women as "indigents" because they have been unemployed for several years and have lost their ability to compete in high speed industry. For these a national policy of rehabilitation is needed which will involve a scheme of retraining older workers under government supervision. It should also include a comprehensive programme of youth training, worked out in co-operation with trade unions, industries and schools, such as that now being undertaken on the recommendation of the National Employment Commission, but on a larger scale.

No training project can be successful, however, unless industries actively cooperate in a plan to make jobs available. Recovery means increased purchasing power, but before this can be achieved, the impetus must come from the government in con-

"vincing business men of their fundamental responsibility for employment. And just employment is not enough. It must be accompanied by reduction in hours of labour and sufficient increase in wages to balance the increase in production. A forty-hour week with union wages would go a long way toward relieving the present situation. This would necessitate the enactment of a Dominion-wide Wages and Hours Bill, federally enforced, as a step toward increasing general purchasing power, even though such action would involve changing the existing Constitution.

An intelligent programme for recovery involves public works, but these need not be unproductive and unimaginative. For example, important in relation to human welfare is the urgent need for adequate hospitals and schools, and for better housing in many municipalities at present unable to finance these projects. Since proper housing is as much a matter of public interest and welfare as the maintenance of a pure water supply, it is suggested that a governmental housing policy be undertaken, so that every individual may be assured of a decent minimum of shelter. The report of the National Housing and Planning Association, presented to the Minister of Labour in July 1937, demonstrated that a substantial proportion of the urban population lives in sub-standard houses and in neighbourhoods conducive to delinquency and to the destruction of family life. Immediate action should therefore be taken on the Association's recommendations:

" (1) That the federal and provincial governments should extend in accordance with local needs, financial assistance conditional on the existence of a comprehensive city plan and housing programme meeting satisfactory requirements.

(2) That financial aid should be in the form of capital grants, long-term low interest loans or annual rent subsidies.

Such a system of public works at trade-union rates, not created for the sake of providing a work test, but designed to meet the welfare needs of Canadian citizens as a whole, is an integral part of recovery. A well-planned works programme, under trained supervision, is essential to building and maintaining individual morale, but the tendency evinced in certain work-relief schemes, by which large groups of civic employees are displaced in order to take on relief workers at lower rates, is found to create an unnatural situation. Projects are recommended which would include professional and technical as well as unskilled workers, and it is further recommended that these be placed in positions suited to their various abilities.

Besides a comprehensive programme of public works and an adequate system of direct relief for those unable to participate in the former, consideration should be given to the framework of social legislation within which these would operate. Such legislation would include unemployment and health insurance on a contributory basis, as well as strongly and properly enforced laws relating

"to working conditions, hours of labour, wages, and collective agreements. It would also make suitable and uniform provision for health care of persons unable to participate in a contributory scheme of health insurance, and in this connection it should be stressed that an adequate plan of health care includes an enlarged government programme in the field of preventive medicine.

The attempt to assure social security for the individual or family and the protection of those who cannot protect themselves has become increasingly recognized as the inescapable responsibility of democratic government. The need is not limited by provincial boundaries, but is national in scope and requires legislation as national as the public opinion supporting it. The presence of a large group of people among us, seeking the right to work and the right to live, is a continuous indictment of our social order and as social workers we therefore recommend the following methods of placing the matter on a self-respecting basis, namely:

(1) That legislation be enacted whereby the federal government establish Dominion-wide standards for aid separating the able bodied unemployed from other categories of dependents; that minimum standards of relief related to the cost of living in various parts of Canada for the residue of unemployed be laid down by the federal government, but that authority be given to any province or municipality to make more liberal provision for relief if it is so desired.

" (2) That thought be given to a Dominion-wide programme of constructive and necessary public works chosen for their utility and not merely as a work test; and that consideration be given to the establishment of an extensive programme of youth training and rehabilitation.

(3) That effort should be made to speed the re-absorption of unemployed into private industry through nationalizing the employment exchanges.

(4) That categorical provisions, such as Old Age Pensions, Mothers' Allowances and Pensions for the Blind should be established federally, and that consideration be given to the enactment of federal legislation covering forms of social security as outlined in the body of the brief.

(5) That immediate attention be given to the implementation of legislation already on the books with regard to contributory unemployment and health insurance and that an extensive programme of public health care be undertaken based upon all that is known of preventive medicine.

(6) That power of supervision must rest with the federal government so that the federal government has the right not only to withhold grants in aid, but to insist on adherence to minimum standards of assistance. It is suggested that federal responsibility for a share in administrative costs, both provincially and locally, would be one means of securing this end.

(7) That change be made in federal-provincial relationships to bring the above programme into effect, including, if necessary, amendments to the British North America Act.

"The Need for Adequate Personnel.

No programme of adequate relief and social security can be effective unless it is administered by competent personnel, unhampered by political patronage and political interference.

This implies a set-up within the Civil Service system, candidates for the position to be chosen by written examination accompanied by serious consideration of their past record in the field.

In order to safeguard further the separation from politics necessary to efficient administration of public funds in the service of great numbers of people, it is advocated that any department of public welfare shall be directly responsible to a Board or commission of unpaid persons, selected for their knowledge of social conditions and for their reputation for integrity; that such a board or commission shall be responsible to the elected body for the proper conduct of the department and shall have power within the limits of federal enactments to administer funds, to formulate policies and to supervise the activities of the department. In the actual set-up of staff in a department of public welfare the following considerations should be kept in mind:--

(1) The chief executive of the department of public welfare should be a person of recognized ability, able to administer large sums of money efficiently, with a knowledge and appreciation of what is implied in the term 'Social Work' and able to recognize its qualities in his staff. That such a person may conceivably be of either

"sex, if past performance in the field of human relationships and of business administration proves capability.

(2) Ideally, all staff members of a Department of Public Welfare whose duties bring them into contact with persons requiring the services of the department should be men and women skilled in understanding human behaviour with a record of successful experience and a background of training in a school of social work. It is recognized that there are different types of social work and persons specially skilled in each type. In staffing a department of public welfare, care should be taken to include those best qualified to fill particular needs; for example, medical social workers in health services, children's protection workers in divisions responsible for child welfare and psychiatric social workers for services dealing with mental defect and mental disease.

Since at the moment there are not enough persons of this type available in Canada, a minimum set-up should include a supervisor of staff, possessing the best possible qualifications as outlined above and having as well the ability to pass on his skills and philosophy to a less well-equipped staff. It is further considered essential that this supervisor should be present at all meetings of the governing body and be given ample opportunity to present his point of view.

In so far as it is possible, additional sub-supervisors should be responsible for every ten or twelve untrained members of the staff as has

"been done in Public Welfare Departments in the United States.

It is worth noting that if an individual applying for assistance for the first time is brought into contact with a staff member of the above calibre, many cases of chronic dependency, desertion and other expensive social problems can be prevented.

It seems necessary to point out with reference to this section of the brief, that the question of personnel in public welfare departments has no meaning apart from the other matters herein discussed. The best personnel is powerless without honest government, without resources in the community by which persons can be helped to regain their independence and no staff of public welfare departments can possibly accomplish its purpose unless it is kept free from political interference.

The Place of Social Research.

It is our belief that any department of the federal government must of necessity have some type of research in order to function economically, efficiently and to satisfy the taxpayers. Especially do we feel this to be true in a department whose main function is to spend and administer large sums of money for public assistance, whether the public assistance be in the form of pensions, direct relief, slum clearance, free medical care, education or a programme of work relief.

We recognize that there are departments within the federal government that are doing extensive research in specific branches of public welfare--such as the department of agriculture, public

"health, education and labour, and the Dominion Bureau of Statistics. We further realize that the research in these particular fields has resulted in decided advancements for the social welfare of Canadian people. But we are of the opinion that in spite of their valuable contributions, the field of social welfare as a whole has not yet been adequately studied. We feel that in order to organize an adequate department of public welfare, consistent and continuous study of all aspects of human welfare is absolutely essential. Unless there is such a unified study, there is a danger of many branches of public welfare being organized in special departments at Ottawa, thus tending to segregate the various aspects of human welfare. We see a danger in this possible development of un-coordinated departments which would tend to over-emphasize and over-develop particular phases of community service at the possible expense of some other national need.

Only when a department is formed to study all aspects of the problem will we be able to do effective social planning.

To-day much time and money is being spent by particular groups in Canada who are concerned about questions of public welfare. Such organizations as the Young Men's Christian Association, the Young Women's Christian Association, civic organizations, universities, many private and public city agencies, community chests, the Canadian Welfare Council, etc., have made comprehensive studies and surveys in the field of social

"welfare. While such studies have been of unquestionable value in developing a community consciousness of its social needs, they have tended to be developed in larger urban areas and their findings utilized within limited community settings. A national bureau of social research would undertake nationwide studies as well as utilize the findings of studies already carried out by these other groups. It would then be in a position to make national use of the findings providing it had power to influence legislation which would allow for the carrying out of their recommendations. It is our opinion that the social needs of the Canadian people must be met more adequately than at present and until a national department is organized to make studies and utilize findings, we cannot hope for much improvement."

"We therefore, believe that it is essential to establish a department of public welfare reinforced by a bureau of social research whose duties would be:

- (1) To gather and digest statistics relative to social welfare
- (2) To make studies and surveys of specific social needs in the community and to study and evaluate enactments already in effect. This would also include periodic reviews of how enactments are being enforced throughout the country and also to determine the effectiveness with which the enactments are meeting the needs.
- (3) To keep aware of progress made in allied fields of research, such as health, education and labour, and correlate the findings when necessary.
- (4) To recommend to the Department of Public Welfare any changes which should be made in legislation or in technical points in administration.

In case of blight or plague affecting our national income to any serious extent, the government would spend whatever amount necessary to study and remedy this evil. It would seem only logical and right that the government should also spend the necessary money to study conditions in the country that are crippling and handicapping thousands of citizens for whom we so zealously protect our sources of national income and who are putting such a drain on that national income without rendering any services in return. The Canadian people should expect and should receive an adequate explanation of why so many people do and must rely on the government for

"support and should also expect to know what measures are or are not being taken to rectify this situation insofar as is possible. They should also know whether those persons whose maintenance is rightly the responsibility of the government, are receiving assistance and whether that assistance is adequate.

We, therefore, strongly urge the organization of a bureau of social research to be staffed with statisticians who are also experts in the field of social welfare."

Importance of Stressing Personnel and Research

The need for adequate personnel and research has been stressed because it is our belief that measures providing for relief and other social services can be rendered ineffectual without expert knowledge in administration and personal adjustment, and a factual basis on which to build a social service programme. It is our conviction that these considerations are of the utmost importance both to those who benefit directly through social service provisions and those who support such services through taxation.

VI. CONCLUSIONS AND RECOMMENDATIONS

In conclusion, we summarize the points elaborated in the body of the Brief:

(1) The province of Quebec, racially and constitutionally, stands apart from the rest of Canada, but the needs of its people are fundamentally the same, and deserve equal consideration on the part of the Federal Government, with those of persons in other provinces.

(2) The major intention of the Montreal Branch of the

"Canadian Association of Social Workers in presenting this brief, is to bring before the Commission the need for a well thought out constructive programme of welfare services. We believe that this can best be done by Government provision of uniform social security measures as outlined in the brief. We further believe that social security measures must include adequate provision of relief to those who do not fit into other legislative categories.

(3) It is our further believe that legislation, alone, is not enough. Social research, on the one hand, and well-qualified personnel, on the other, are essential to the implementation of even the best social legislation.

(4) Finally, we submit that responsibility for the welfare of all the people rests with the Government of all the people, that is, the Federal Government. By federally enacted legislation, the administration of which is federally supervised, and by this means alone, can such problems as transiency and non-residence be reduced to a minimum, can centrally-planned and uniform provision be made for all types of social need and can the standards of provincial and municipal governments be controlled.

So essential do we believe this centralization to be that we recommend it, even though to carry out this recommendation may necessitate changes in the existing Constitution."

COMMISSIONER DAFOR: I would think the import of this representation is something more than the federal supervision of unemployment relief. Do you think that this programme could be carried out without federal supervision taking the form of federal control?

MISS GOLDMAN: As it is now being done you mean?

COMMISSIONER DAFOE: Do you think your programme could be carried out unless the Dominion virtually takes over the unemployment relief problem?

MR. G. B. CLARKE: Mr. Chairman, if I might answer that on behalf of the Association, we believe that as a stepping stone at the present time we have to face the fact that there seems to be some difference of opinion in Canada between the East and the West as to the desirability of changes in the constitution. We believe that while the educational process that we had explained earlier by another submission in a brief this morning, is taking place, that it might be possible, by grants-in-aid, of a portion of this programme to go to governments, but we believe that the giving of grants in aid without contribution and without a programme is worthless, that all you are doing is simply continuing a programme of sliding along. We do not believe that it is possible for a social security programme on a contributory basis to be carried out without complete federal control. If you are going to have contributory unemployment insurance it seems to me it is inevitable you have to have a federal authority so that you will not have questions of residence rulings cropping up. We have to-day in our province this difficulty, that a person who has a Mother's allowance in Manitoba and who has to leave Manitoba on Doctor's orders, because of health, and comes to Quebec, will not be eligible for Mother's allowance in Quebec. We feel that if you come to a basis of contributory insurance of any sort that to lose your right of citizenship because you move to another province where those rights are not accepted, would not be conducive to building up a Canadian citizenship.

COMMISSIONER DAFOE: The scheme as a whole implies a complete reversal of the present system. I talked to officials of the Department of Labor when they gave evidence in January, and they were of the opinion that on constitutional grounds and on grounds of economy the present system, which puts the responsibility of administration on the municipalities, the Dominion supplying part of the money, was the most effective and economical method of administration. Their belief was that this scheme in its general operation took care of all the people needing relief. I asked them in regard to transients, people who are left out in the cold, with nobody to look after them, and the reply I got suggested to me that they thought there might be the odd one overlooked, but it was not on a large enough scale to invalidate their claim that the system worked. This did not accord with my experience or my observation. At least in the Western provinces the provincial governments establish standards, and I have heard municipal officials in Winnipeg say that if it were not for the province fixing standards and having representation on the Committee which administers relief they would be quite unable to cope with the pressure for improper administration of relief. The Dominion's part in Manitoba is, after discussion with the provincial government to give a certain fund of money, which is then distributed. I think it very probable that it would be very difficult to get the Dominion to completely reverse that attitude of not exercising supervision unless they had a control which went right down to the administration; and there you run into the question of whether the provinces, which now theoretically exercise the control, and actually do in some provinces, - would consent to any such

adjustment. We have had many suggestions of grants-in-aid from the Dominion to the provinces, with conditions. I myself am inclined to believe it would just be another cause of friction, since the relations between the Dominion and the provinces seem to run more naturally to friction than to co-operation. So I infer that the implication of this brief is that if the job is to be done by the Dominion, it would have to be done not by the device of grants-in-aid but by tackling the whole job with whatever constitutional amendments might be thereby necessitated. I just ask that to get your judgment as to whether that inference is not supported to some extent by the presentation.

COMMISSIONER MacKAY: Just one point, on page 12, Miss Goldman, the paragraph towards the bottom of the page:

"But if the maintenance of destitute people is undertaken, it is at least necessary that allowances should be adequate and based upon the costs of living rather than the lowest possible amount necessary to sustain life."

Probably that could be justified on humanitarian grounds, but is it not likely to get you into difficulties in areas where wages are low?

MISS GOLDMAN: Yes, I suppose so, but the fact remains that if you are going to give relief to people who require it, it should be adequate.

COMMISSIONER MacKAY: On humanitarian grounds, yes, I agree with you, but can you completely separate relief from such things as control of hours of labor and wages?

MISS GOLDMAN: I do not quite understand you.

COMMISSIONER MacKAY: Can you completely separate the problem of relief from other questions such as control of hours of labor and wages?

MR. CLARKE: I think that is an additional reason why we feel if you are going to have a programme of social security you must have some federal contribution so that you do not have this jockeying between province and province as to who is to pay the least amount of wages to get an industry so that the profits will go into the industry rather than into the community, on the whole. We are actually facing in Montreal a situation where people are applying to Unemployment Relief Department for unemployed men to go to jobs and they are discharging people who are being paid higher wages. We hope this new Act will stop that and I know Mr. Odette told me he refused to send men to such firms. So that actually there were people on unemployment relief who were better off than they would be if they were working.

COMMISSIONER MacKAY: Does it not lead to subsidizing certain industries, - may it not lead to subsidizing industries which may not play the game and pay proper wages?

MR. CLARKE: I heard of a situation in Quebec which interested me, with respect to a product, providing it could be marketed, - it was a basis for talc powder - and this industry could set 200 men to work, but the small companies who handle it could not possibly manage to pay the wages that were necessary if the men were to live. Of course, it presupposes the honesty of business, but I wonder whether it would not be possible to work out some scheme of temporarily subsidizing industries who take people off unemployment rolls. If those 200 men who are now getting unemployment relief and doing nothing in return were placed on that job and the industry got the amount that they ordinarily would draw until such time as they were on their feet, at any rate there would be men feeling they were earning their way, and not just drones on society. That was done after the war in England.

But as I say, it presupposes very close and honest administration by the government end on one side and the business end on the other.

COMMISSIONER DAFOE: Is not the control of hours of labor and wages, and control of unemployment relief, if it is a permanent problem, inexorably tied together?

MR. CLARKE: I think so, yes.

COMMISSIONER DAFOE: There was a book just published in England, being a report of investigations conducted in six cities, - I cannot recall the name of it - in which it was demonstrated that unemployed men with large families were better off than the head of the house could be if he had regular employment.

MR. CLARKE: Of course, you are up against a problem that I must say, as a social worker, I do not think is an industrial problem. I do not think you can go to an industry and say "here is a man who has twelve or fifteen children, therefore you must pay him more than a man who is just as skilful but who has only two children". But is not the answer to that, if you want twelve or fifteen children and want them to grow up healthy, that we should have some system whereby those children are subsidized by the State. If you want population it seems to me we have to pay for it.

COMMISSIONER DAFOE: There has been a suggestion of family allowances by the state which, of course, has been discussed in England for some years.

COMMISSIONER ANGUS: I should like to ask one question about page 15 , paragraph (7). The paragraph is this:

"That change be made in Federal-Provincial relationships to bring the above programme into effect, including, if necessary, amendments to the British North America Act."

This Commission is not a planning Commission. The most we can deal with is the question of making a recommendation about jurisdiction. That is to say, should the provinces have power to legislate on these matters or should the Dominion have it, or should jurisdiction be concurrent? And should there be power in the Dominion, but power in the province to legislate if the Dominion does not do so? You can take a horse to water but you cannot make him drink. We might recommend that the Dominion was to have jurisdiction of the very wide character they would have to have to give effect to these recommendations, and even if the Dominion got that jurisdiction, it might not act. I suppose these recommendations would cost a very great deal of money and that would raise the question of sources of revenue, of whether the sources of revenue at present enjoyed by the provinces should be assigned to the Dominion and so on. So there would be a complicated question to be decided by whatever legislature had competence.

This memorandum began by saying what is a desirable scheme, and then it said there should be whatever constitutional changes are necessary to give effect to it. Now, we are in the position of having to approach the situation the other way around and say what constitutional changes if any should be recommended, and then

wait and see what is done afterwards in the way of legislation. One may be dissatisfied with an existing situation. Is it necessarily made better by transferring the powers from the authority which has them now, and which one says is not using them very well, to some other authority which may not use them any better?

Now, have you any recommendation to make on that general question of jurisdiction? Should the Dominion Government have sole competence or exclusive power, as the B.N.A. Act says, to legislate on all these matters, or should the Dominion Government have power concurrently with the provinces, it being understood that the Dominion legislation prevails if there is a conflict.

MR. CLARKE: We believe that it should be a Federal matter, a Dominion matter entirely.

COMMISSIONER ANGUS: There is one further question, which is this: Dominion legislation on these matters of social service would presumably mean something approaching a uniform standard across Canada of social service, irrespective of the wealth or poverty of the provinces concerned.

MR. CLARKE: Are not the social services in a country for the country's people as a whole, irrespective of whether the particular sections of that country are either rich or poor? I think fundamentally the whole basis of our social service is that it is those who have help those who have not. I would say very definitely that the present social service is the democratic way of bridging over the inequalities that we do not see our way yet to solve. And we have, in the old country, people accepting taxation in the way that we do not accept it here, everywhere, because they believe they are

their brothers' keepers. In some of the sections where you have towns that are not requiring the same amount of money, there are ways in which it could be provided for on a per capita basis of weighting your population.

I remember Miss Fugsley said at a Canadian conference last year that they weighted the number of dead babies in England because in the rich municipalities there were few dead babies but in the poorer communities there were many. So dead babies became the basis whereby the poor communities got more of the public money in that department.

COMMISSIONER ANGUS: Yes, but what I meant by a uniform standard, I think, was really what you are advocating, that is to say the poorer sections of the country to receive assistance from the Federal Government, and therefore one would move from the richer section of the country to bring their standard up to the minimum standard of the other parts. Now that involves a transference of wealth not merely between one citizen and another but between one territorial division and another, between one province and another. The consequence of that in the long run is bound to be taxation collected in one province, the richer province, to be spent in the less fortunate provinces, and I am going to ask if you realize the political opposition that such a proposal arouses?

MR. CLARKE: As I say, I believe that is absolutely the basis we should think of our country as a country, one country, not nine countries, who have got walls between each section of it; and those who have help, within that total country, those who have not.

COMMISSIONER DAFOE: You think they are taxed as

Dominion citizens and not as residents of a province?

MR. CLARKE: Yes.

MISS GOLDMAN: As Canadians, and not as members of Quebec or Ontario or British Columbia.

THE ACTING CHAIRMAN: The situation is there just the same, that will have to be changed. Have you any questions, Mr. St. Laurent?

BY MR. ST. LAURENT; of Mr. Clarke:

Q. Is it fully established that they are accepting taxes in the old country in a way that they are not being accepted here, if one takes into account here the whole of the taxes imposed by the three levels of government?

A. I am not sufficiently of an expert to be able to answer that question, sir, but as I say, if you have your hidden taxes, as undoubtedly you have got it here, then I don't believe you have the same feeling of responsibility that you have in open taxation.

Q. No, but the same amount of money is obtained whether it be hidden taxation or direct taxation. And is it **not** a fact that at the present time the amount of money that is obtained is not sufficient to go around and do all the **things** we would like to see done?

A. I would say, sir, we have not really begun **taxing in** Canada yet. We think we are badly taxed.

Q. Well, can you point to any other place where the total burden of taxation per capita **of** population is higher than it is in Canada? A. I am afraid I cannot answer ~~that~~ question, sir. All I say is if the need is there we should meet it.

Q. Then why do you say we have not yet begun to pay taxes in Canada, if in the whole wide world there is **not** a single place you can point to where the per capita amount

raised by taxation is higher than it is in this country?

A. My reply is that if that is so, I was thinking of the conditions, in the remark I made, that in England you have your spread of taxation very much wider than you have here. Isn't that so? I appeal to you as an expert on taxation?

Q. I am not an expert on taxation, but I am a Canadian and I don't just relish these broad remarks without information that one is prepared to point to, that we have not yet begun to pay taxes in Canada?

A. I don't know that I have anything further to answer to that, sir.

Q. Now, with respect to the expressions in the brief, there is on page 7 one about which I would be glad for a little further information. It refers to the cutting off of unemployed persons on technical grounds. I think it might be of value to have that elucidated a bit, as to what is meant, what the board had in mind as being the improper cutting off of recipients of relief on technical grounds?

A. We have, for instance, sir, in Verdun, which may be the case only in Montreal. We have a mother who ordinarily has supported her children when there has been work. The father of these children has left her and as an unmarried mother she is not eligible, although she is an unemployed person, for unemployment relief. But if she keeps the person at home, she lives with that paramour in her home, she is eligible for unemployment relief. And I feel that is a technicality which is not proper for the basis of relief. And surely on moral grounds it should not be maintained in that way.

Q. Have you seen the brief that was submitted yesterday

by the League for Women's Rights? There was a list given by Mrs. Casgrain in that of some technical grounds on which women especially were removed from the relief lists. Would it be objections of that character that your group had in mind?

A. Yes, and also of the character that it is possible for an individual who secures work and goes out into the industrial field, without being told that he will be required to live on practically the same rate, the bare subsistence rate of unemployment relief for the rest of his experience. If he loses work the Commission, the Department, calculates it on the basis of the schedule how long he ought to have a living, irrespective of whether he has possible bills outstanding or whether his landlord, who has been collecting, for three years, an inadequate amount for rent, threatens to sue for his rent and sometimes does. This man, before he could be returned to the relief roll, he must have lived on the schedule of relief of which he had no knowledge when he got off, and we have had people who have been told that they would be eligible for relief next November or next May, whenever the case might be, and yet there are perfectly reasonable reasons why that money had been spent. I believe that is a technicality.

Q. In addition to this there would be the special regulations to deal with men who go off relief and who then find it very difficult to be restored to the lists?

A. Yes.

Q. Then, on page 11, there is the expression used "Actual starvation". Is not that putting it rather strongly?

A. We know instances where children have been admitted

to hospitals because there have not been the necessities of life provided. We have had the same thing happen, I believe in the hospital care of the sick, where insulin treatment, more extensive in the hospital has been given to inmates, no grant has been forthcoming from the Provincial authorities for insulin, so that the person returned to the home fairly fit and has gone down and they have allowed him to be admitted to the hospital before he died. It has been brought up, we have the same thing with children, who have entered the hospitals through malnutrition.

Q. Because, in spite of the large amount of public money expended, there is still being carried on a large amount of private charitable work in the city of Montreal is there not? A. Yes.

Q. There is the Federated Charities drive made each year, then there are the drives made by the Catholic Charities, Jewish Charities and there are very commendable subscriptions from the population of the city of Montreal, are there not?

MISS GOLDMAN: I do not know whether you noticed that this remark was made with regard to non-residents, and that the rulings laid down everywhere exclude relief to non-residents. They are the ones whom we say face actual starvation.

COMMISSIONER MacKAY: May I ask a question, Mr. St. Laurent?

MR. ST. LAURENT: Yes, certainly, sir.

COMMISSIONER MacKAY: Is there any reason to believe that if relief and the other social services were placed under the control of the federal authorities that you would get rid of these technicalities which prevent the system from working properly? Might it not be even worse, if you had central control in Ottawa rather than control under the municipality? Is there not some danger that the system would become much more rigid the further away the centre of control was?

MR. CLARKE: There is that possibility, sir, but at any rate, we would know where we were. You have a situation corresponding in Ontario and then, overnight, someone has changed the residence qualification which brings us literally to the point where a person has not a city. So long as you are faced with conditions such as those, it seems almost impossible to get any inter-provincial relationship. The only way to achieve that is

to have one body which will lay down the regulations. At least, under that condition, we would know where we were. It appears as though we are never going to solve the problem of the unfortunate, there will always be some new problem connected with the matter, but if these general lines were adopted, we feel that there would be, at least, a plan which could be amended or revised as was found necessary by the Department of Research.

BY MR. ST. LAURENT of MISS GOLDMAN

Q. On page thirteen there is a statement that:

"Recovery means increased purchasing power, but before this can be achieved, the impetus must come from the government in convincing business men of their fundamental responsibility for employment."

Is there any implication in that statement that the business men have not properly discharged their responsibility for employment during the last several years?

A. Well, as I said at the beginning, a great deal of this information, naturally, is not official; it cannot be obtained from books. We are individuals in this association, practising in the field, and a great deal of the information we have put in this brief has been gathered from personal experiences with individuals.

The individual members of this association can state from experience, several instances where employers have not made as great an effort as they might have made to take care of their responsibility towards employment, wages, and so forth.

Q. Is it not a matter in which a very large amount of the reserves of large employers of labour have been expended during the depression years? A. It is not a general statement. Naturally, we merely say if the govern-

ment could put some of the responsibility, at least, make business accept its responsibility towards employment, it would be a good thing.

Q. Then, coupled with that statement there is the statement that it must be accompanied by a reduction in the hours of labour, a sufficient increase in wages and so forth. How would your association suggest that business men be made to realize their responsibility to give more employment, shorter hours, and better wages when the situation is that they are operating at a loss?

. MR. CLARKE: Mr. Chairman, I feel very strongly on this point. If it is a fact that the best brains in Canada, as represented in business, can find no way out of the depression, if we, as a group of people, say that there is no solution for the situation, then the situation is rather hopeless. If those who have the best brains and have, presumably, the experience in business which we do not pretend to have, can find no solution, then, I think, we are faced with an awful problem in Canada. We will have no answer to give the young people when they ask us what life means. I believe if industry sat down and planned with the government, it could evolve some plan which would solve the problem. If this cannot be done, I am beginning to wonder whether it is the democratic state which is the thing which ought to be changed. We believe that there ~~are~~ the brains in Canada which, working together, in good-will, will find a way out of the problem.

Q. It is not suggested that this present situation is merely a Canadian problem? A. Oh, no.

Q. Much of Canada's trade is necessarily export trade, is it not? A. Yes, it is.

Q. Now, on page 14, at the end of the first paragraph, there is the suggestion that projects include professional and technical work, would that be something along the line of the administration of the W.P.A. in the United States? A. Something along that line, yes.

Q. Would that even include the providing of work for a profession such as mine?

MR. CLARKE: A lawyer? Well, we are badly in need of free legal aid.

MR. ST. LAURENT: I was wondering if it were going to be made the responsibility of the government to promote litigation for my brethren.

BY MR. ST. LAURENT of MISS GOLDMAN

Q. There is a reference on the same page to unemployment and health insurance on a contributory basis; is that intended to be on a basis which would be actuarially sound?

MR. CLARKE: Yes, we believe we should put all the social services in that category. We think a man should try and stand on his own feet.

Q. I was wondering whether you meant it to be totally contributory or partially contributory?

MR. CLARKE: No, not totally, I do not think you will find that in any country.

Q. I was just putting the question for the purpose of ascertaining the views of your body.

A. A partially contributory basis, a man should pay his share.

Q. What would his share be, an amount to make the scheme mathematically sound, or just one-third, one-half, or one-quarter?

MR. CLARKE: We would say that is a matter for your Research Bureau to decide just what is possible.

Q. It would be, then, a partial contribution by the beneficiaries and you are not prepared to express any opinion as to what proportion that partial contribution might be? A. No.

Q. Would your views be, with respect to Old Age Pensions, that they also be on a contributory basis, without expressing any opinion as to what proportion of the contribution that might be? A. Yes.

Q. There is a suggestion on page 15, paragraph five, that:

"Immediate attention be given to the implementation of legislation already on the books with regard to contributory unemployment and health insurance--"

Would you mind being a little more specific; what legislation is that your body has in view, as being legislation already on the books? A. We were thinking, particularly of the Unemployment Insurance Act which was brought down by the previous government.

Q. Unfortunately, that may be physically on the books, but the Privy Council has said that it is not legally operative. A. That is why we put in number seven.

COMMISSIONER ANGUS: There is a health insurance act on the books of British Columbia, but it would be ultra vires if effect were given to your recommendation.

MR. CLARKE: British Columbia, most likely, would not mind if there were such an Act.

COMMISSIONER ANGUS: I take it British Columbia would be quite willing to have Dominion jurisdiction, if the Dominion would use it, but if British Columbia gave up its part and then had to wait until the majority of the Dominion were convinced that the Dominion ought to have jurisdiction, it might mean that British Columbia would

have no Health Insurance at all for a long time. It is that which I had in mind when I spoke of concurrent powers as opposed to exclusive powers .

BY MR. ST. LAURENT of MISS GOLDMAN

Q. On page 19, at the end of paragraph two, there are the words, "To those who do not fit into other legislative categories", would you mind elucidating that point?

A. There will be a group of people, who, if you have your contributory social insurance programme, I do not think will be able to contribute. I mean, this group is the pool, which we have to accept as the price of our civilization. It does seem to me that this group has to be looked after in some manner. There are some people in the group who are looked after, in most provinces, by the different welfare departments in connection with the municipal set-up.

Q. So it really means that it is the group the community has taken care of under other legislative enactments?

A. Yes, sir.

Q. The recommendation is made that if the implementing of the other recommendations requires changes in the Constitution, such changes should be made. Has the Association given any consideration to the procedure which, in the view of its members, should or might be resorted to to bring about amendments in the Constitution?

MR. CLARKE: Quite frankly, we are purely and simply not lawyers. This was drafted, as can be seen by your question, by people who do not know legal phraseology. All we felt was that there is a need and we are presenting it as we see it.

Q. Your body as a whole has not given any consideration to the manner in which that might be brought about?

A. No.

EXHIBIT No. 350. Brief of Montreal
Branch of the
Canadian Association
of Social Workers.

THE ACTING CHAIRMAN: You may be assured we will give
our earnest attention to the brief, and we wish to compliment
Miss Goldman for the manner in which she has presented it.

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(The Commission adjourned at 12.30 p.m.
to open Monday 16, 1938 at 10.30 a.m.)

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ROYAL COMMISSION ON DOMINION-PROVINCIAL RELATIONS

REPORT OF HEARINGS

MAY 16 1938

REPORTERS:

George Thompson
John Robertson
David Torry

FRENCH REPORTERS:

H. P. Hould
F. Ouellet



QUEBEC, Quebec, May 16th., 1938

LIST OF EXHIBITS.

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|------------------|--|------|
| Exhibit No. 351: | Submissions of the
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the Congresses of the
French Language | |
| Exhibit No. 352: | Brief of the Acadians
and French-Canadians
of the Maritime Provinces | |
| Exhibit No. 353: | Brief of the French-
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| Exhibit No. 354: | Brief of the French
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ROYAL COMMISSION ON DOMINION-PROVINCIAL RELATIONS

 QUEBEC, Quebec, MAY 16, 1938

The Royal Commission appointed to re-examine the economic and financial basis of Confederation and the distribution of legislative powers in the light of the economic and social developments of the last seventy years, met at the Palais De Justice, Quebec City, Quebec, on Monday, May 16, 1938, at 10.30 a.m.

PRESENT:

COMMISSIONER JOSEPH SIROIS....THE ACTING CHAIRMAN

JOHN W. DAFOE, Esq.)	
DR. ROBERT ALEXANDER MacKAY	)	Commissioners
PROFESSOR HENRY FORBES ANGUS)	

Commission Counsel:

Louis S. St. Laurent, K. C.

Secretariat:

Alex. Skelton, Esq.	Secretary
Adjutor Savard, Esq.	Secrétaire Français
R. M. Fowler, Esq.	Legal Secretary to The Chairman
Wilfrid Eggleston, Esq.	Assistant to the Secretary

FOR THE PERMANENT COMMITTEE OF THE CONGRESSES OF THE

FRENCH LANGUAGE:

Mgr. Camille Roy	President
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FOR THE ACADIANS AND FRENCH CANADIANS OF THE

MARITIME PROVINCES:

OF MANITOBA.

OF ALBERTA.

OF SASKATCHEWAN:

Mgr. Camille Roy	Representative
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Palais de Justice,
 Québec, Qué.
 le 16 mai, 1938.

SEANCE DE L'AVANT MIDI

La Commission se réunit à 10.30 hres. a.m.

LE PRESIDENT INTERIMAIRE; Nous vous souhaitons la bienvenue, Monseigneur, au nom de la Commission; nous sommes prêts à vous écouter.

MEMOIRE DU COMITE PERMANENT
 DES CONGRES DE LA LANGUE FRANCAISE

MGR. CAMILLE ROY, présente le mémoire:

Messieurs les Commissaires:

"Le Comité Permanent des Congrès de la Langue française au Canada, tenu à Québec en juin 1937, et représentant les groupes de langue française des Provinces du Canada, a l'honneur de soumettre à votre Commission d'enquête sur les relations de l'autorité fédérale avec les autorités provinciales du Canada le présent mémoire.

10. Le décret ministériel qui crée votre Commission et la charge de faire enquête sur le problème financier qui préoccupe le gouvernement fédéral et les gouvernements provinciaux, déclare qu'on a représenté au Très Honorable Premier Ministre que des conditions nouvelles, à la fois économiques et sociales, de la vie canadienne déterminent une tension excessive de la structure gouvernementale du Canada.

Le Comité Permanent, issu d'un Congrès où furent étudiées les principales questions relatives à la vie ethnique, culturelle, sociale, juridique, des populations de langue française du Canada,

estime qu'il est de son devoir de présenter à la Commission des observations qui se rattachent à quelques-unes de ces questions à la fois sociales et économiques qui ont les unes sur les autres des répercussions inévitables et causent une tension dangereuse de notre armature gouvernementale.

20. Mais tout d'abord le Comité Permanent croit devoir soumettre qu'on ne peut traiter des relations nécessaires, existantes ou à établir, au point de vue économique et social entre le gouvernement fédéral et les gouvernements provinciaux, sans tenir compte de la nature même de l'Acte de l'Amérique britannique du Nord de 1867 qui régit ces relations.

A son avis, cet Acte n'a pas seulement le caractère d'une loi impériale; il comporte une entente préalable, un pacte arrêté entre les Provinces délibérantes, pacte que l'Acte impérial a fixé.

30. Parmi les causes qui ont déterminé la tension violente que rappellent les considérants du décret ministériel, nous croyons devoir mentionner les difficultés scolaires survenues dans les différentes parties du Canada. Ces difficultés scolaires ont un aspect économique inévitable. Il fut un temps où, dans tout notre pays, les écoles confessionnelles ou séparées jouissaient de la protection de l'Etat. Elles suffisaient à tous les citoyens des diverses confessions religieuses et les parents n'avaient pas alors à payer double taxe pour procurer à leurs enfants, à l'école, une formation religieuse correspondant à leur foi. L'abolition des écoles séparées a obligé, en plus d'une province, les catholiques à organiser à leurs frais

des écoles convenables à leurs croyances. Votre Commission aura à étudier le problème fort délicat de la répartition des impôts. Est-il juste qu'un père de famille, catholique ou protestant, paie double taxe pour l'éducation de ses enfants?

On sait toutes les difficultés à la fois sociales et économiques qui surgirent de la violation de droits scolaires qui paraissaient solidement établis. Nous avons bien le droit de rappeler ces faits à Québec, capitale d'une Province qui, bien avant 1867, avait organisé chez elle un système scolaire confessionnel complet et qui, depuis, n'a cessé d'interpréter dans un esprit beaucoup plus large que partout ailleurs l'article 93 de la Constitution du Canada, relatif au maintien des écoles confessionnelles, et qui l'a toujours appliqué conformément à cette interprétation.

Nous joignons à la question de l'école confessionnelle celle de l'école bilingue nécessaire en certains milieux où vivent des enfants de langue française, question qui d'ordinaire est étroitement à celle de l'école confessionnelle. Cette question, elle aussi, crée du malaise social et économique, là où la double taxe scolaire devient nécessaire aux parents qui veulent à l'école, en mesure suffisante, avec l'enseignement religieux celui de la langue française. Ce malaise scolaire provoque assurément une tension morale des esprits qui est préjudiciable à l'unité nationale. Il y a une sorte d'antipathies de races qu'a trop longtemps entretenue chez nous la question scolaire mal comprise, ou comprise dans un sens étroit, exclusif, qui est contraire à l'esprit de

la Confédération.

40. D'autre part, le bilinguisme pris dans un sens plus général a été lui-même une cause habituelle de tension et d'antipathie entre les deux races maîtresses de ce pays. Les Canadiens français découvreurs, et premiers occupants du pays, n'y peuvent être nulle part traités en étrangers. Ils ont des droits naturels, historiques, juridiques, qui dépassent le bilinguisme officiel créé par l'article 133 de la Confédération.

L'harmonie sociale n'existera parfaitement entre les deux races française et anglaise de ce pays que lorsque dans toutes les provinces du Canada on donnera au bilinguisme l'étendue qu'exigent les conditions historiques privilégiées des Canadiens de langue française. Et l'harmonie sociale entre ces deux races ne pourra que faciliter la solution de bien des problèmes économiques.

50. La Province de Québec est dotée d'institutions qui lui sont particulières. Par exemple, elle a un droit civil propre. Ce droit fait corps avec elle, et constitue une large part de sa structure originale. Aussi le Comité Permanent est persuadé que certaines modifications qu'on pourrait apporter à la Constitution auraient des répercussions désastreuses sur le droit civil de la Province de Québec et, par voie de conséquence, sur la vie sociale et économique de cette Province. C'est ainsi que le Comité Permanent estimerait dangereux des amendements qui auraient pour objet de transférer aux autorités fédérales un pouvoir législatif géglant les conditions du travail.

D'une façon générale, le Comité Permanent

jugé qu'il serait périlleux d'attribuer à l'autorité fédérale la législature économique dite "législation sociale" ou "législation ouvrière".

Les Provinces ne sont pas, par exemple, également industrialisées. Comme disait le Conseil privé dans un arrêt récent (1) chacune vit dans des conditions spéciales.

Une autorité centrale qui, dans le domaine de la législation sociale, se substituerait à l'autorité provinciale, une autorité centrale plus éloignée des intérêts en jeu, se heurterait à des difficultés considérables. La tension que déplore le décret ministériel, au lieu de s'atténuer, ne ferait que s'accentuer.

60. Enfin, le Comité Permanent se reportant au désir d'unité nationale qui est exprimé dans l'article 4 du mandat de votre Commission, souhaite que le travail de la Commission resserre lui-même les liens un peu distendus de cette unité, et qu'il contribue à développer ce large esprit de sympathie, ce sentiment de la justice, ce respect des droits de tous sans lesquels nous ne pourrions jamais fonder sur une base solide l'unité nationale.

Pour le Comité Permanent des Congrès
de la Langue française.

Camille ROY, président.

(1)Référé relatif aux trois lois fédérales du repos hebdomadaire (25-26 Geo.V, chap.14), des salaires minima (25-26 Geo.5, chap. 44), de la limitation des heures du travail (25-26 Geo.V, chap.63): 1,37 A.C., pp.326-352.

MGR. ROY: Messieurs les Commissaires; Le Comité Permanent s'est chargé de déposer devant la Commission Royale les mémoires qui lui ont été confiés par les Acadiens et les Canadiens-français des Provinces Maritimes, par les Canadiens français du Manitoba, de la Saskatchewan et de l'Alberta. Ces quatre mémoires ont tous pour objet principal la résolution des difficultés scolaires des Acadiens et des Canadiens français dans les différentes Provinces du Dominion.

Comme il est question dans le décret ministériel qui crée votre Commission de modifications possibles à apporter à l'Acte de la Confédération, les auteurs de ces mémoires voudraient que si modifications il devrait y avoir, on en profitât pour restaurer pleinement les droits des Canadiens français et des Acadiens, droit à l'enseignement religieux et à l'enseignement du français dans leurs écoles, que dans les différentes Provinces du Canada on accorde en somme aux Canadiens français dans les provinces anglaises les droits que l'on accorde dans la Province de Québec à la minorité anglaise.

MEMOIRE DES ACADIENS ET

DES CANADIENS FRANCAIS

DES PROVINCES MARITIMES.

MGR. ROY: " Aux Provinces Maritimes, il existe une importante minorité de langue française dans le Nouveau-Brunswick, 137,000, soit le tiers de la population; en Nouvelle-Ecosse, 56,000 ou tout près de 11%; sur l'Ile du Prince-Edouard, 13,000, c'est-à-dire environ 15% de la population de cette Province. Dans l'esprit des Pères de la Confédération, l'Acte de l'Amérique du Nord Britannique devait assurer le plein épanouissement des minorités

"françaises et anglaises, catholiques et protestantes. Ironie du sort, les minorités des Provinces Maritimes se trouvent aujourd'hui dans une situation moins favorable qu'en 1867. A cause de l'insuffisance des articles 93 et 133, ou plutôt à cause de l'interprétation étroite qu'on leur a donnée, les minorités françaises et catholiques ont souffert énormément dans leur vie nationale et religieuse. Elles ont subi et subissent tous les jours de nouvelles pertes. Elles en subiront nécessairement des nouvelles si des mesures ne sont pas prises pour faire respecter l'esprit sinon la lettre du pacte fédératif.

Tout d'abord, les Acadiens et Canadiens français des Provinces Maritimes sont pratiquement tous de foi catholique. A ce titre, ils sont de fervents adeptes de l'école confessionnelle qui existait de fait, sinon de droit, avant 1867. Or, au cours des dix années qui suivent la Confédération, ces trois provinces firent disparaître les écoles confessionnelles pour y substituer l'école soi-disant neutre et unilingue. Au Nouveau-Brunswick, qui innova dans ce sens, on s'insurgea contre la loi de 1871, d'abord en essayant de la faire désavouer par le gouvernement fédéral, puis en attaquant sa constitutionnalité devant les tribunaux. La Cour Suprême du Nouveau-Brunswick puis le Conseil Privé décidèrent que les écoles confessionnelles n'avaient aucune existence légale au Nouveau-Brunswick avant 1867, et en conséquence, que l'article 93 ne pouvait protéger des écoles qui ne jouissaient d'aucun statut juridique. Depuis lors, ce fut pour la minorité catholique un marchandage humiliant qui a donné à

date le résultat suivant : là où les catholiques sont en majorité, on tolère l'enseignement religieux pendant une demi-heure après les heures de classe. Cette situation n'est pas satisfaisante, et ne correspond pas, croyons-nous, à l'esprit qui animait les Pères de la Confédération.

"Sur le terrain linguistique, même situation humiliante et particulièrement injuste. Avant 1867, il existait au Nouveau-Brunswick des écoles françaises jouissant pratiquement des mêmes avantages que les écoles anglaises. Personne ne songeait à refuser à la minorité le droit d'apprendre sa langue maternelle dans les écoles recevant les subsides de l'Etat. L'entrée dans la Confédération aurait dû, semble-t-il, améliorer la situation de la minorité en consolidant les avantages dont jouissait la langue française. Sir John A. MacDonald, n'avait-il pas fait la déclaration suivante au cours de la discussion de la résolution 46 qui devint plus tard l'article 133?

"Les délégués de toutes les provinces ont consenti à ce que l'usage de la langue française forme l'un des principes sur lesquels serait basée la Confédération, et que son usage, tel qu'il existe aujourd'hui, fût garanti par l'acte impérial."

Se basant sur de telles déclarations faites par les hommes publics du temps, les Acadiens appuyèrent le projet de la Confédération, quand il fut soumis au peuple, croyant voter pour une mesure qui leur garantissait partout l'usage du français.

Vingt-trois ans plus tard, Sir MacDonald s'exprimait encore plus catégoriquement à la Chambre des Communes:

"...We wish a constitution now under which all British subjects are in a position of absolute equality having equal rights of every kind, of language, of religion, of property and of person."

Malheureusement , l'article 133 n'est pas aussi complet qu'il pourrait l'être. Il définit bien les droits du français au parlement et par devant les tribunaux, De l'école il ne fut point question. Mais, pour des gens de bonne foi, le bilinguisme scolaire ne découle-t'il pas de l'article 133 comme conséquence logique et inéluctable ?

Limiter à l'enceinte du parlement ou des tribunaux fédéraux l'emploi de la langue française est une dérision et une tromperie. C'est répudier la convention de 1867, c'est diffier un texte dont le but fut de maintenir le français comme l'une des deux langues officielles du Canada, de laisser chaque Canadien libre de l'enseigner ou de l'apprendre, de l'écrire ou de la parler. Quelle folie eût été celle des "Pères" en décrétant cet usage du français au parlement et devant les tribunaux fédéraux, si leur intention n'avait pas été de rendre possible partout au Canada, l'emploi du français? Si l'on a le droit de plaider ou de témoigner en français devant les tribunaux fédéraux; si l'on a le droit de parler français au parlement; si l'on a le droit de lire en français tous les documents fédéraux et de correspondre ou de causer en français avec chacun des représentants de l'administration fédérale, ne s'ensuit-il pas que l'idée mère de la loi organique de 1867 est de mettre le français partout au Canada sur une base d'égalité avec l'anglais?

C'est ainsi que raisonnent les gens de la

Province de Québec où les Anglais ne font pas faute de trouver dans cet article une protection générale de l'anglais dans cette province, d'y voir, par exemple, la sauvegarde de l'enseignement de l'anglais dans leurs écoles. S'il en est ainsi, la partie de l'article 133 se rapportant au français au parlement fédéral doit avoir la même portée. Et elle sauvegarde le français partout au Canada et dans tous les domaines de notre activité.

Malheureusement, les provinces anglaises n'ont pas encore donné à l'article 133 cette interprétation large et rationnelle. Aux Provinces Maritimes la majorité a imposé à la minorité un programme scolaire pratiquement tout en anglais, et qui ne convient nullement à des enfants de langue française qui ne connaissent pas la langue anglaise à leur entrée à l'école. Ce système antipédagogique donne des résultats désastreux pour les Acadiens, (et c'est l'immense majorité.) qui n'ont pas les moyens d'envoyer leurs enfants dans des maisons d'enseignement conformes à leurs aspirations. Dans les centres tant soit peu mixtes, c'est l'anglicisation graduelle des nôtres, et l'ignorance à peu près complète du français. Dans les centres français, on ne peut s'attendre à une éducation tronquée ou complètement ratée, avec perte de temps considérable et abandon de l'école. Les parents qui ne veulent pas se résigner à laisser leurs enfants dans les écoles neutres et anglicisantes, que ce soit l'école publique proprement dite, ou l'Université subventionnée par l'Etat, doivent au prix de sacrifices vraiment héroïques, envoyer leurs enfants dans des institutions d'initiative privée. Pour ce faire,

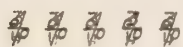
ils doivent s'imposer un lour fardeau, et comme les Acadiens sont généralement pauvres et chargés de famille, le fardeau est particulièrement lourd et souverainement injuste. Rien d'étonnant alors que le pourcentage d'illettrés soit plus élevé dans les centres français des Provinces Maritimes que dans toute autre partie du Canada. Exemple: Le Nouveau-Brunswick, et en particulier les comtés français de Madawaska et Gloucester. En résumé, le système scolaire neutre et unilingue ne rend pas justice aux Acadiens des Provinces Maritimes. Pour remédier à cet état de choses, nous suggérons respectueusement que les articles 93 et 133 soient amendés de façon à ce que les minorités françaises des Provinces Maritimes jouissent des droits et privilèges que la Province de Québec accorde actuellement à ses minorités anglaises et protestantes.

Voilà, en résumé, nos griefs et suggestions sur le terrain scolaire. Il en est d'autres dans le domaine politique. Dans ce domaine, nous souffrons au Nouveau-Brunswick, d'une situation injuste par le fait qu'on nous refuse la représentation proportionnelle en Chambre. Règle générale, les comtés où les Acadiens sont en majorité, comptent proportionnellement moins de députés que les autres. Ainsi Albert et Queens, avec une population d'environ 7,000 chacun, comptent chacun deux députés, tout comme Madawaska et Restigouche qui ont une population respective de 25,000 et 30,000 âmes. La représentation proportionnelle nous donnerait le tiers de la députation, ce qui correspondrait à notre importance numérique. Actuellement il est

impossible de faire élire plus de dix députés, soit moins de 21% de la population. Les Acadiens du Nouveau-Brunswick réclament respectueusement la représentation proportionnelle avec remaniement après chaque recensement comme cela se pratique au fédéral.

par BENOIT MICHAUD,

membre du Comité Permanent des
Congrès de la Langue française.



MEMOIRE des CANADIENS FRANCAIS

DU MANITOBA

- - - - -

MGR. ROY:

".. Les sous signés, officiers, directeurs et membres de l'Association d'Education des Canadiens français du Manitoba, représentant la minorité catholique canadienne-française de cette province, désirent exposer aux Membres de la Commission Royale des Relations entre le Dominion et les Provinces les considérations suivantes:

Il y aura deux siècles cette année que les Français, sous la conduite d'un Canadien, Pierre de La Vérendrye, prirent possession de ce qui est devenu plus tard le Manitoba. Ces Français furent les premiers civilisateurs; ce furent eux qui construisirent les premiers établissements et ce furent leurs missionnaires qui enseignèrent aux Sauvages les premières notions du christianisme. A cause de cette prise de possession au nom de la France, ces "pays d'En Haut" échurent au Canada après la conquête par l'Angleterre.

Quelques années après la conquête, le pays

tout entier s'ouvrit devant une nuée de commerçants et traiteurs que la traite des fourrures attirait dans ces régions éloignées. La masse des voyageurs, interprètes, guides et canotiers, étaient des Canadiens de langue française. Leur influence fut si prépondérante qu'un historien américain, Grace Lee Nute, a pu dire dans son "Voyageur", que "tant que dura la traite des fourrures, la langue française demeura la langue officielle du pays". Les services rendus par ces humbles ont été beaucoup plus considérables qu'on l'a affirmé jusqu'ici. L'histoire ne fait que commencer à reconnaître leur mérite. Ce furent eux qui aidèrent à toutes les découvertes, à toutes les expéditions scientifiques organisées dans ces pays inhospitaliers; ils forcèrent les traiteurs de la Baie d'Hudson à descendre à l'intérieur des terres et ainsi une organisation plus proche de la civilisation fut graduellement mise sur pied; grâce à leur sympathie pour les Sauvages, ils formèrent des amitiés avec ces peuples barbares, et si ces régions furent à l'abri des massacres, on le doit en bonne partie à ces voyageurs et à leurs familles métisses, ce qui permit à Lord Selkirk d'organiser sa colonie sur les bords de la Rivière Rouge.

Le rapport du Comité des Chambres anglaises sur la situation à la Rivière Rouge en 1856 souligne ce fait: "In the conflict between the white man and the red, the latter may go down, but between them stands the Half-Breed with his enterprise, his intelligence, his culture and taste for civilization. Speaking the language and sharing the sentiments of both, he is the natural arbitrator of the conflicting

communities between whom he is placed."

Aussi voit-on le Conseil d'Assiniboia faire appel aux Métis pour protéger la colonie vers 1865, lorsque les Sioux, après les terribles massacres américains, se retirèrent en bandes menaçantes dans nos prairies. Il est hors de doute aussi que la colonie de Lord Selkirk fut fondée et continuée afin de donner aux Voyageurs un pied-à-terre permanent.. Dans la lutte avec la Compagnie du Nord-Ouest, celle de la Baie d'Hudson se rendit compte qu'elle ne pouvait maintenir ses positions dans l'appui des Voyageurs Canadiens et ce fut une des facteurs qui militèrent en faveur de la continuation de la colonie après la mort de Selkirk.

Autour du groupe embryonnaire des colons de Selkirk se forma une colonie à deux groupements, l'un anglais et écossais, l'autre catholique et français. Chacun de ces groupements eut ses institutions, sa langue, ses habitudes ethniques; et l'on voit que les autorités en charge traitèrent les deux groupes non seulement avec équité, mais avec la reconnaissance du fait de cette dualité. Le Conseil d'Assiniboia, surtout après sa réorganisation en 1835, renfermait les représentants des deux groupes. D'ailleurs, entre les deux éléments de la population, on essayait de tenir la balance égale. Ainsi, en matière d'éducation, on votait une somme égale aux deux sections. Un jour, en 1852, le Rév. Black fait la demande de 15 livres additionnelles en faveur de l'école de Frog Plain; M. Laflèche annonce immédiatement qu'il demandera une somme additionnelle de 15 livres, lui aussi, "in consideration of the additional 15 pounds

"granted for the education of the English population". Cette résolution est adoptée à une séance ultérieure. Le Conseil ayant fait l'achat d'une presse, spécifie que " tout doit être imprimé en français aussi bien qu'en anglais" (Voir Oliver, "Minutes of the Councils of the Red River Colony).

Lors des démarches entreprises en vue de l'entrée de la colonie dans la confédération canadienne, après une époque de troubles en bonne partie causées par les erreurs du gouvernement canadien et certains de ses représentants, le peuple de la Rivière Rouge - tant du côté anglais que du côté français- s'organisa et forma un gouvernement provisoire afin de recevoir la sanction du fédéral comme du gouvernement impérial. La clause 22 et la clause 23 affirmaient les droits de la population catholique au point de vue écoles et de l'usage du français . La preuve que ces principes furent bien compris de toute la population fut l'adoption en Chambre manitobaine de la loi scolaire de 1871, mettant sur pied un système d'écoles séparées avec deux sections - l'une catholique et l'autre protestante- ayant chacune sous sa tutelle ses écoles propres.

Ce système devait fonctionner durant vingt ans. A la suite d'une campagne de fanatisme et malgré les promesses des politiciens locaux, le tout fut balayé par un ukase en 1890. Comme le faisait remarquer en Chambre l'Honorable M. Prendergast, ce n'est pas au système existant qu'on voulait s'attaquer, c'était aux écoles catholiques. Les représentants de la minorité catholique recoururent aux tribunaux, comme les y autorisait la

clause 22. Cette clause reproduisait la clause 93 de l'Acte de l'Amérique Britannique du Nord en ajoutant aux mots "rien ne devra (dans les lois provinciales relatives à l'éducation) préjudicier "à aucun droit conféré lors de l'union par la loi", ces mots importants "par la coutume relativement aux "écoles confessionnelles". Il n'existait ici aucune école séparée par "la loi". A ce moment, au Nouveau-Brunswick, on agitait la question des droits minoritaires et l'argumentation portait sur le fait qu'il n'y avait dans cette province aucune école séparée strictement légale avant l'union. On voulut, pour le Manitoba, éviter cette difficulté et l'on inséra "par la coutume" comme ayant force de loi. Il ne peut y avoir de doute que c'était là l'intention des gouvernants et que c'était là ce qu'on comprenait par les mots ajoutés au texte de la clause 93. En motivant le jugement unanime de la Cour Suprême du Canada, le 20 octobre 1890, alors que la loi manitobaine était déclarée "ultra vires", le juge Ritchie disait: "The British North America "Act confers on the local legislature the exclusive "power to make laws in relation to education, provided that nothing in such law shall prejudicially "affect any right or privilege with respect to denominational schools, which any class of persons had "by law or by practice at the time of the union. We "are now practically asked to reject the words "or "practice" and construe the statute as if they had "not been used, and to read this constructive clause "out of the statute as being unapplicable to the "existing state of things in Manitoba at the union, "whereas on the contrary, I think, by the insertions

"of the words "or practice", it was made practically applicable to the condition at that time of the educational institutions which were of denominational character. It is clear that at the time of the passing of the Manitoba Act, no class of persons had, by law, any rights or privileges secured to them, so if we reject the words "or practice" as meaningless or inoperative, we shall be practically expunging the whole of the restrictive clause from the statute." Sir John Thompson, Ministre de la Justice, écrivait en 1890 à Mgr. Taché:

"... In the province of Manitoba a safeguard given by the Manitoba Act for the rights and privileges which existed in practice at the time of the creation of the province has been given." Il est vrai que le Conseil Privé, en 1892, renversant la décision unanime de la Cour Suprême du Canada, jugea que les mots "ou la coutume" n'avaient pas le sens qu'on leur prêtait à Ottawa et au sein de la minorité en général. Le Conseil Privé favorisa une interprétation étroite et littérale au détriment de l'esprit véritable qui avait présidé à l'adoption des lois scolaires avant 1890. Le seul droit ou privilège que l'on voulut reconnaître fut celui d'envoyer ses enfants à des écoles privées ou confessionnelles sans reconnaissance légale si on le jugeait à propos. Ce droit, comme le faisait remarquer Lord Morris, l'un des juges, était celui de tous les citoyens britanniques et il n'était pas nécessaire de passer une loi pour le faire reconnaître. Le même Conseil Privé, en 1895, reconnaissait cependant que les droits ou privilèges relatifs aux écoles séparées avaient été violés par

la législature qui, après avoir reconnu l'existence des écoles séparées, en avait rendu le rouage impossible par sa législation subséquente. Le Conseil Privé reconnaissait même l'esprit de la législation scolaire de 1870 et 1871 en disant : " It is notorious that there were acute differences of opinion between Catholics and Protestants in almost every line of these enactments. There is no doubt either where the points of differences were and it is in the light of these that Section 22nd of the Manitoba Act, which was in truth a Parliamentary compact, must be read."

Malgré ce jugement, malgré l'ordre émané du Gouverneur Général en conseil, les catholiques du Manitoba n'ont pas encore reconquis leurs droits scolaires. Il est vrai qu'en 1896, un arrangement entre le cabinet fédéral et le cabinet provincial a été conclu sous le nom d'arrangement Laurier - Greenway, mais ce règlement ne peut être considéré comme final pour plusieurs raisons. Il met tout d'abord les catholiques - ou une bonne partie des catholiques - dans la situation décrite par le Conseil Privé en 1895: dans le contrôle de leurs écoles, sans aucun subside des autorités locales, sans aucune reconnaissance des principes fondamentaux des écoles séparées, principes assez connus au Canada pour qu'il ne soit pas nécessaire de s'étendre sur ce sujet. D'ailleurs, le fait que la minorité catholique a toujours continué, surtout dans les villes et les centres mixtes (Winnipeg, Transcona, Brandon, Portage, Dunrea, East Kildonan), à maintenir, au prix de sacrifices héroïques, des écoles

séparées, est une preuve suffisante -- à défaut d'autres -- que le règlement Laurier-- Greenway n'a jamais apporté à la minorité le soulagement qu'il était censé donner. On devrait aussi se souvenir que ce règlement a été interprété comme un commencement de justice envers la minorité. L'Honorable Prendergast, actuellement Juge en Chef de la Province, écrivant dans le Globe à ce moment-là, pouvait dire : " This should not be "considered as a settlement in the sense of an "irrevocable agreement laying the matter at rest "from this day for ever." La preuve que ce règlement n'était pas définitif, comme l'ont prétendu les adversaires de nos écoles séparées, c'est que, immédiatement après, il y eut toute une série de conversations plus ou moins officielles entre Ottawa et Winnipeg dans le but de rendre la situation plus acceptable , et même qu'une loi provinciale -- amendements Coldwell-- vint en 1913 changer la portée des lois de 1890 et 1894. Et même, en admettant que le règlement eût été définitif et accepté par la minorité (le célèbre règlement ne fut jamais accepté par la minorité comme nous l'avons dit), il resterait vrai que la loi provinciale de 1896 a changé le statu quo. L'objection que nous soulevons ici avait été soulevée à propos de la loi provinciale de 1894, qui rendait encore plus odieux le système d'écoles. On a fait remarquer à ce moment que les honorables juges du Conseil Privé s'étaient prononcés sur la loi de 1890 et non sur celle de 1894. Quoi qu'il en soit, en 1896, le gouvernement provincial a passé une loi modifiant l'Acte scolaire et enlevant

à la minorité certains privilèges, notamment le privilège linguistique garanti par l'Arrangement Laurier-Greenway et imposant l'instruction obligatoire.

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"Le Free Press de Winnipeg, en date du 27 août 1910, affirmait que le règlement Laurier-Greenway était final, qu'il avait été accepté par les deux intéressés, les gouvernements manitobain et canadien, et que par conséquent la minorité n'avait plus le droit d'en appeler au Gouverneur Général en Conseil, et il ajoutait: "But if the Manitoba Legislature 'repeals any of the privileges conferred upon 'the minority in 1897, it thereby restores to the 'Dominion Government its power to impose remedial ' legislation, should it be deemed politic to do 'so. The arrangement would then be off; and 'the Dominion Government would resume the powers 'which it abdicated in 1897."

"Il resterait évidemment à savoir comment un arrangement comme celui dont il est question, passé sans l'intervention des Chambres, engage les Parlements et les lie; mais il est incontestable que la loi de 1916 a détruit certains privilèges que la minorité avait en vertu de cet arrangement. Depuis 1916, il y a au Manitoba une loi forçant les parents à envoyer leurs enfants aux écoles. Or, dans beaucoup de cas, les parents catholiques ne pouvant, à cause précisément des conditions imposées par la loi de 1890, construire et entretenir leurs écoles séparées, se voient forcés d'envoyer leurs enfants aux écoles publiques, contrairement à la déclaration du premier jugement du Conseil Privé qui niait qu'on pût leur imposer une loi de ce genre.

"Les droits de la langue française, garantis par la clause 23 de l'Acte de Manitoba et par la loi de 1871, ainsi que par l'arrangement Laurier-Greenway,

ont aussi été violés de la même manière. Aujourd'hui, au Manitoba, la langue des découvreurs est traitée avec un mépris complet des lois ayant caractère de pactes, de promesses et d'engagements d'honneur.

"Voilà les griefs que veulent exposer les représentants de la minorité catholique canadienne-française aux membres de la Commission Royale des Relations entre le Dominion et les Provinces. S'il est vrai que, grâce à des circonstances plus favorables, surtout à l'homogénéité de leurs groupements, les Canadiens français ont, en somme, moins souffert que leurs coreligionnaires des autres races; s'il est vrai qu'en certains endroits ils ont pu s'adapter au système et en tirer un certain profit, le modifiant selon les données de leur conscience; s'il est vrai qu'à certaines époques, ils ont trouvé auprès des gouvernants une certaine sympathie et une certaine tolérance, il n'en est pas moins vrai que, d'une façon générale, ils sont victimes des lois draconiennes dont nous avons parlé, et il n'en est pas moins vrai que les Canadiens français ne peuvent voir sans alarme leurs coreligionnaires forcés, faute de ressources, d'envoyer leurs enfants dans des écoles qui, quoi qu'on en dise, deviennent de plus en plus indifférentes au point de vue religieux. Le résultat est que notre jeunesse grandit dans l'ignorance de ses devoirs envers Dieu, fondement des devoirs nationaux et sociaux.

La minorité catholique canadienne-française est lasse de recourir aux tribunaux. Nos concitoyens ont toujours prouvé qu'ils sont respectueux des lois du pays; ils ont souffert avec patience les injustices dont ils ont été les victimes. Ils trouvent l'occa-

sion opportune, alors que la Commission Royale va examiner de nouveau les relations actuelles et possibles entre le pouvoir central et les législatures provinciales, d'aborder la question beaucoup plus vaste du traitement des groupes minoritaires appartenant à l'une ou l'autre des deux races qui, un jour, se sont assises à une table commune et ont décidé de donner au pays une constitution telle qu'elle rendait justice aux deux groupements. Voilà, à notre avis, la question et le fait qui dominent tous les autres. Si ce pacte sacré et cet idéal ont été violés, qu'on les corrige; que les autorités compétentes étudient de nouveau la question à son véritable mérite et rendent aux groupes minoritaires leurs droits perdus.

"A cause des difficultés techniques et de l'expérience du passé, les soussignés n'osent faire de recommandations explicites; ils ne veulent pas s'engager à accepter aveuglément l'équivalent d'aucun système existant dans d'autres provinces, mais veulent maintenir leur traditionnelle opposition de principe aux violations qui ont été commises il y a cinquante ans et qui n'ont jamais été redressées depuis. Et pourquoi le traitement si généreux dont jouit la minorité anglo-protestante de Québec ne pourrait-il être accordé aux minorités de toutes les provinces? Les soussignés demandent respectueusement un retour aux principes qui ont fait la base de la confédération canadienne, principes sans lesquels le pays tout entier s'acheminerait vers sa ruine, le jour où l'on aurait constaté définitivement que la Confédération n'a pas produit ce qu'on en attendait et que les principes sur lesquels elle

reposait n'ont pas été respectés."

J.A. Marion, président de l'Association Educationnelle Canadienne Française du Manitoba; J.-H. Daignault, secrétaire; Monseigneur Emile Yelle, P.S.S., Archevêque coadjuteur de Saint-Boniface; Monseigneur Martin Lajeunesse, O.M.I., évêque de LePas, Manitoba; Juge L.-A. Prudhomme, ancien président; Noël Bernier, ancien président; Hormisdas Béliveau, ancien président; Henri Lacerte, ancien président; Camille Fournier, vice-président; J.-H.-N. Leveille, trésorier; S.-J. Dussault, Donatien Fremont, Charland Prud'homme, W.-L. Jubinville, P.D., V.G., Henri Bourque, S.J., Antoine d'Eschambault, ptre, Denys Jubinville, O.M.I., Maurice Dussault, O.M.I., Eugène Berger, S.M., W. Raymond, Raymond Bernier, J.-A. Panbrun, Major J.-C. Lavoie, Alexandre Bernier, Maurice Prud'homme.

MEMOIRE DES CANADIENS FRANCAIS DE LA SASKATCHEWAN.

"La minorité catholique canadienne-française de la Saskatchewan désire exposer aux Membres de la Commission Royale entre le Dominion et les Provinces les considérations suivantes:

GRIEFS DES CANADIENS FRANCAIS DE LA SASKATCHEWAN.

"Les griefs des Franco-Canadiens de la Saskatchewan ne s'adressent pas à l'Acte confédératif lui-même mais à la non-application qui s'en est faite encore des clauses relatives à leurs droits et privilèges tant au point de vue catholique qu'au point de vue national.

"En effet, lorsqu'eut lieu la Confédération, la province de la Saskatchewan, n'existant pas encore, ne pouvait être partie contractante.

"Ce ne devait donc être que par extension que l'Acte de 1867 s'appliquerait à elle en la dotant, lors de sa constitution, d'un régime d'institutions et de garanties analogues à celui des provinces confédérées.

"Ces griefs peuvent se grouper sous deux chefs:

A. La législation provinciale dénie aux Franco-Canadiens:

I en tant que catholiques tout droit à des écoles de leur choix, ce dont l'Acte confédératif se porte cependant garant

II en tant que nationaux, toute possibilité d'exercer leur droit, garanti par l'esprit qui a servi de base à la Confédération, à l'usage de la langue française:

a) soit dans le domaine public;

b) soit dans le domaine de l'enseignement public à tous les degrés.

B. L'Administration fédérale prive les Franco-Canadiens, dans la pratique, du privilège, qui leur a été accordé par l'Acte de 1867, de l'usage courant et libre de la langue française dans tous les domaines qui lui sont propres: Postes, Douanes, Banque du Canada, Radio-Etat, Fonctionnarisme, Etc....

"Chacun de ces griefs fera l'objet, ci-après, de thèses exposant, d'une part les sources des droits, d'autre part les mesures de redressement qu'il serait à propos de prendre.

A. DOMAINE PROVINCIAL

I Droits et privilèges des Catholiques à leurs

écoles.

Thèse 1. Les Catholiques de la Saskatchewan sont privés des droits et privilèges relatifs à une éducation publique de leur choix dont:

- 1o L'Acte de l'Amérique Britannique du Nord de 1867 accordait la garantie aux minorités des provinces confédérées et à celles des autres territoires britanniques dont l'annexion était pour lors prévue;
- 2o L'Acte du Manitoba consacrait le principe, en 1870, par extension implicite aux Territoires du Nord-Ouest dont la Saskatchewan d'aujourd'hui était partie;
- 3o L'Acte des Terres Fédérales, en 1872, ne restreignait en aucune façon la portée dans la dotation aux écoles qui y était instituée;
- 4o L'Acte des Territoires du Nord-Ouest, en 1875, stipulait expressément les données;
- 5o La 1ère Ordonnance scolaire de l'Administration des T.N.-O. concrétisait, en 1884, l'application sous forme de statut juridique accordé aux écoles confessionnelles régies par des comités d'Education Publique confessionnels.

Thèse 2. Le préjudice causé aux Catholiques de la Saskatchewan par la législation scolaire actuelle, étant contraire aux principes constitutionnels établis par l'article 93 de l'A.A.B.N., reste sujet, tant qu'il demeure, au droit, pour les Catholiques du pays, d'en appeler au Parlement et impose à celui-ci le devoir de décréter des lois remédiatrices conformes à l'A.A.B.N.

II Droits et privileges des Canadiens français à l'usage de leur langue.

Thèse 1. Les Canadiens français de la Saskatchewan sont privés, par la legislation actuelle de la province, de toute possibilité d'exercer leurs droits et privilèges à l'usage de la langue française, soit dans le domaine public en général, soit dans le domaine scolaire tels qu'ils découlent:

- 1o de la dualité ethnique qui est à la base de l'Acte Confédératif et dont l'esprit devait leur être appliqué lors de l'entrée des T.N.-O. dans la Confédération;
- 2o de l'article 110 de l'Acte des Territoires du Nord-Ouest;
- 3o des dispositions des premières Ordonnances de l'Administration des Territoires soit:
 - a) dans le domaine public en general, par la publication bilingue des documents officiels de l'Administration des dits Territoires;
 - b) dans le domaine scolaire, par l'usage courant du français comme langue et comme sujet d'instruction dans les écoles fréquentées par les Canadiens français.

Thèse 2. Même s'il n'est pas expédient, étant donné l'infime proportion numérique des Canadiens français dans la population de la Saskatchewan, d'y établir pour le moment un système intégralement bilingue dans l'administration des affaires publiques, il est cependant équitable d'assurer, de par la loi, aux Canadiens français, le privilège du libre usage de la langue française dans leurs rapports avec le gouvernement de la province et tout particulièrement de l'enseignement efficace du français, comme

partie integrante du système scolaire, dans les écoles où ils sont la majorité.

B. DOMAINE FEDERAL.

Thèse 1. Les Canadiens français de la Saskatchewan sont privés, dans la pratique, de leurs droits et privilèges, garantis par l'article 133 de l'A.A.B.N. en ce que:

- 1o ils ne peuvent obtenir que toutes les publications officielles émanant des divers ministères du gouvernement canadien leur soient fournies en français;
- 2o Ils ne peuvent pas, sauf quelques rares exceptions, traiter en leur langue avec les administrations locales dépendant du gouvernement canadien: Douanes, Postes, Banque du Canada;
- 3o les honoraires quotidiens de Radio-Canada comportent à peine une demi-heure de programmes bilingues, composés en presque totalité de musique instrumentale ou vocale en toutes les langues, sur 14 à 15 heures d'émission, et aucun programme français;
- 4o ils ne peuvent obtenir leur quote part dans les positions du fonctionnarisme.

Thèse 2. Le minimum équitable à assurer aux Canadiens français, en vertu de l'article 133 de l'A.A.B.N. comporterait, en principe, la reconnaissance officielle, sur un pied d'égalité, de la langue française, et, en pratique;

- 1o la publication de toutes les publications officielles du gouvernement en français;
- 2o la nomination d'au moins un employé canadien-français dans les bureaux de douanes et des

succursales de la Banque du Canada;

- 3o la nomination d'un maître de poste bilingue dans tous les endroits où les Canadiens français comptent pour une bonne proportion;
- 4o une proportion égale à celle de la population canadienne-française du Dominion dans les programmes de Radio-Canada;
- 5o la nomination de Canadiens français aux postes supérieurs et inférieurs dans la proportion de la population totale des Canadiens français dans le dominion.

par l'abbé Maurice Baudoux,

Secrétaire général

de l'Association catholique franco-canadienne
de la Saskatchewan.

Prud'homme, Sask., 3 mai 1938

MEMOIRE DES CANADIENS FRANCAIS DE L'ALBERTA

La minorité catholique canadienne-française de l'Alberta desire exposer aux Membres de la Commission Royale des Relations entre le Dominion et les Provinces les considérations suivantes:

1.- Droits de la langue française au Parlement d'Edmonton

Seule la langue anglaise **est** officielle au Parlement d'Edmonton. Sous les Ordonnances des Territoires du Nord-Ouest, le français et l'anglais étaient langues officielles; mais en 1891, à la suite de la proposition de Dalton McCarthy au Parlement d'Ottawa, l'Assemblée Législative des Territoires du Nord-Ouest obtint le pouvoir de faire les règlements qu'elle desirait touchant ses débats et sa procédure. L'année suivante, l'Assemblée décréta que seule la langue anglaise était officielle.

II.- Droits de la langue française devant les tribunaux

Le français était langue officielle pour le Barreau des Territoires du Nord-Ouest en vertu de la loi fédérale de 1877 (40 Vic., ch.7). Ce droit nous a été enlevé par la manœuvre de McCarthy à Ottawa. La législature provinciale décréta que seule la langue anglaise était officielle devant les tribunaux. Cependant, la langue française a conservé ses droits à la Cour de l'Échiquier et à la Cour suprême.

III.- Droits de la religion et du français à l'Ecole

Notre idéal est d'avoir des écoles catholiques et françaises.

L'école catholique est celle où, comme le proclamait Sa Sainteté le Pape Léon XIII, "non seulement la religion est enseignée à certaines heures, mais tout le reste de la formation est imprégnée de piété chrétienne". Cela exige des manuels catholiques de lecture, d'histoire, etc....

L'école française est celle où la langue française est la langue unique d'abord, la langue principale toujours. Cela exige des manuels français d'histoire, de géographie, d'arithmétique, etc...

Jusqu'en 1892, la loi des Territoires du Nord-Ouest autorisait des écoles catholiques; et dans les districts de langue française, on pouvait enseigner toutes les matières en français, pourvu que l'on donnât aux enfants un cours élémentaire d'anglais.

En 1892, sur les menées du fanatique anticatholique et antifrançais McCarthy, l'Assemblée Législative du Nord-Ouest ravit à la minorité catholique et française ses droits scolaires: les catholiques perdirent le choix des maîtres, des examinateurs, des

inspecteurs, des livres. Point d'instruction religieuse pendant les heures de classe, si ce n'est une demi-heure avant la fermeture de l'école. Point d'écoles normales catholiques.

Quant à l'enseignement du français: aussitôt que l'écolier canadien-français sera parvenu au deuxième livre de lecture, il ne recevra plus aucun enseignement en français et n'aura en mains aucun livre français.

En 1905, quand l'Alberta fut constituée en Province, la loi votée en 1892 par l'Assemblée Législative du Nord-Ouest fut confirmée par la Charte de l'Alberta (article 16). Alors que la minorité anglaise et protestante de la Province de Quebec a toute liberté de faire de ses enfants des anglais et des protestants, la Constitution de l'Alberta, telle que votée en 1905 au Parlement Fédéral, ne nous donne qu'une demi-heure d'enseignement religieux et un enseignement où le français est réduit aux deux ou trois premières années. Ce n'est pas notre Parlement Provincial qui est responsable de cet état de choses, mais le Parlement Fédéral.

Au point de vue catholique, voici nos droits scolaires: Loi scolaire, clause 147: "except as hereinafter provided, no religious instruction shall be permitted in the school of any district from the opening of such school until one half-hour previous to its closing in the afternoon, after which time any such instruction permitted or desired by the Board may be given."

Nos élèves catholiques ont entre les mains des manuels neutres, sauf le catéchisme.

L'école séparée elle-même n'a de confessionnel

que la petite demi-heure de catéchisme réléguée à la fin de la classe. Les catholiques ne sont pas consultés dans l'élaboration des programmes et dans le choix des manuels. Nos futurs instituteurs et institutrices sont obligés d'aller chercher dans nos écoles normales, prétendues neutres, certains principes qui ne cadrent pas du tout avec leur foi catholique.

Au point de vue français, les législateurs de l'Alberta ont interprété la loi scolaire de 1905 assez largement pour ne pas avoir de luttes scolaires comme dans les Provinces Maritimes, l'Ontario, le Manitoba et la Saskatchewan. La clause 146 de la Loi Scolaire accorde un "Cours Primaire Français": "All schools shall be taught in the English language, but it shall be permissible for the Board of any district to cause a primary course to be taught in the France language."

On ne s'entend pas encore sur la signification de ce "cours primaire français". Est-ce le cours primaire entendu au sens français, c'est-à-dire, tout le cours élémentaire comprenant huit années? Est-ce le cours primaire entendu au sens anglais, c'est-à-dire, comprenant les trois premières années seulement? Etant donné que la loi scolaire de 1905 reproduisait celle de 1892, il semble bien que, dans l'intention des législateurs d'Ottawa, le "cours primaire français" ne devait comprendre que les trois premières années. Quoiqu'il en soit, un règlement promulgué en 1925 par le Ministère de l'Education et réédité en 1936 interprète ainsi ce "cours primaire":

"In all schools in which the Board by resolution decides to offer a primary course in French, in

accordance with section 146 of the School Ordinance, French shall be for the French-speaking children one of the authorized subjects of study and may be used as a medium of instruction for other subjects during the first school year. Oral English must, however, from the beginning be included in the curriculum as a subject of study.

"During the second year and after the child has learned to read in the mother tongue, the formal teaching of reading in English shall be begun.

"From Grade III on, a period not exceeding one hour each day may be allotted to the teaching of French. The term "Franch" as herein used shall include reading, language study, grammar, analysis, dictation and composition.

"In all grades beyond Grade II, the programme in all subjects other than French shall be that regularly authorized by the Department of Education, and the text-books shall be the English editions authorized for general use throughout the Province. Teachers may, however, offer explanations in the mother tongue when necessary."

On doit donc enseigner en anglais l'arithmétique, l'histoire (y compris l'histoire du Canada avec un manuel anglais et neutre qui n'expose pas les faits à notre point de vue), la géographie, l'agriculture, le civisme, l'hygiène, le dessin... Mais l'instituteur peut donner, sur ces matières, des explications en français, au besoin.

Voilà l'interprétation actuelle et officielle du "cours primaire français". Ceux qui voudraient l'interpréter comme s'il comprenait l'enseignement de toutes les matières en français pendant huit ans, se

heurteraient aujourd'hui à l'opposition des fonctionnaires du Ministère de l'Education.

Ce programme ne nous donne pas satisfaction. En effet, le programme de français qui nous donne toute satisfaction et qui accorde à l'étude du français une place suffisante est un programme où la langue française est la langue unique, d'abord, la langue principale toujours. Or, notre programme de français ne répond pas à ces exigences: il suppose que la langue française est la langue presque unique en première année, principale en deuxième année, secondaire de la troisième à la huitième année. Ce programme tolère un certain enseignement du français, mais il ne nous donne pas des écoles françaises, les seules qui nous conviennent. Une école où, chaque jour, on enseigne quatre heures d'anglais, une heure de français et une demi-heure de catechisme n'est pas une école française. D'autant plus que l'instituteur doit enseigner tout le programme anglais, ayant à sa disposition une heure et demie de moins que l'instituteur anglais, au risque de recevoir de l'inspecteur un rapport moins favorable.

CONCLUSION

Advenant des amandements à l'Acte de l'Amérique du Nord, il y aurait peut-être lieu pour la Province de Quebec, si elle est appelée à faire des concessions économiques pour l'unité canadienne, d'exiger la reconnaissance officielle de la religion catholique et de la langue française dans les écoles de chacune des provinces du Canada et d'exiger que la langue française soit officielle dans tous les Parlements et devant tous les tribunaux

du pays.

La nomination de juges catholiques de langue française pourrait alors se faire sans conflit entre catholiques. En Alberta, nos confrères Irlandais ont la part du lion: un juge à la cour d'Appel et deux juges à la cour de district, tandis que nous n'avons qu'un juge à la cour de district. Tous les greffiers et clercs sont anglais.

Il faut espérer que la Commission Rowell trouvera un statut qui permette aux minorités catholiques et françaises de l'Ouest d'avoir les mêmes droits que la minorité anglaise et protestante de la Province de Quebec.

Docteur L.-O. Beauchemin

Président de l'Association canadienne-
française de l'Alberta.

Calgary, 14 mars 1938.

(suite à la page 8481)

MONSIEUR CAMILLE ROY: Voilà, Monsieur le Président et Messieurs les Commissaires, les mémoires que j'avais à déposer devant vous.

LE PRÉSIDENT SUPPLÉANT: Je n'ai pas besoin de vous dire, Monseigneur, que toute l'attention nécessaire sera portée à ces divers mémoires. La question la plus importante - nous allons tout de même discuter et trancher cela - c'est celle de savoir si nous avons réellement juridiction sur ces questions là. Inutile de vous dire que toutes seront étudiées de très près et avec le plus grand soin.

Maintenant il y a peut-être d'autres questions que Messieurs les Commissaires désireraient vous poser, Monseigneur.

LE COMMISSAIRE Angus: Monseigneur, j'aurais une question à vous poser: Si l'autonomie des provinces a rendu possibles des injustices à l'égard des minorités, lorsqu'il s'agit des minorités de langue et de religion, est-ce qu'il n'existe pas actuellement un certain danger que cette autonomie des provinces ne comporte les mêmes dangers pour les minorités économiques et ouvrières en matière de législation sociale; et lorsqu'on recommande la limitation de l'autonomie des provinces en faveur des minorités de religion et de langue, est-ce qu'on ne peut pas se rendre compte qu'une réclamation semblable en matière de législation sociale et ouvrière faite au point de vue des décisions que peuvent prendre ces législations de l'une ou l'autre des provinces, ne provoque un déplacement des industries en faveur d'une province oisive qui n'a pas une législation aussi suivie en faveur de la minorité ?

MONSIEUR ROY: Je ne crois pas que ce soit l'intention des auteurs de ces mémoires soumis à la commission

de demander une concentration législative au sujet des lois scolaires elles-mêmes comme des lois sociales. Pour ce qui est des lois scolaires, je comprends parfaitement moi-même que le problème est d'ordre provincial, étant donné que l'Acte de l'Amérique Britannique du Nord laisse aux provinces le soin de régler les questions scolaires. C'est sous l'empire de l'Acte lui-même que les droits doivent être respectés dans les différentes provinces, mais il appartient surtout au gouvernement des provinces de régler les difficultés scolaires qui peuvent exister dans chacune des provinces. Il s'agit plutôt de rappeler aux gouvernements des provinces l'esprit dans lequel fut conclu le pacte fédératif. Avec un élargissement et une interprétation d'esprit, bien des questions scolaires pourraient être réglées.

Quant à la législation sociale et ouvrière, nous ne redoutons pas que cette législation reste les fins des législatures provinciales, surtout en ce qui regarde la législation sociale et ouvrière, par exemple, dans la province de Québec. Notre province est sous l'empire de notre code civil particulier à la province de Québec, comme je le faisais remarquer dans le mémoire que j'ai soumis tout à l'heure. Cette province de Québec, ayant son caractère très particulier au point de vue social et économique, nous ne voyons pas bien qu'une autorité plus éloignée de ses groupes que l'autorité provinciale puisse mieux voir les besoins de chacun de ses groupes.

C'est pour cela que nous pensons que la législation sociale et ouvrière peut rester à chacune des provinces et, en particulier, à la province de Québec.

Tout dépend de l'esprit dans lequel est fait une législation.

LE PRÉSIDENT SUPPLÉANT: M. St-Laurent, vous avez peut-être quelques questions à poser à Monseigneur.

M. ST-LAURENT: Je n'ai que quatre ou cinq questions, Monseigneur, que je voudrais vous poser afin d'obtenir certains renseignements pour la Commission:

Q. Ce mémoire général est présenté par le Comité Permanent des Congrès de la Langue française ? R. Oui.

Q. Quand a eu lieu le premier congrès ? R. Le premier Congrès de la Langue française a eu lieu en 1912.

Q. Quelle fut l'importance de ce second congrès au point de vue du nombre et des groupes représentés ?

R. Le deuxième congrès, au point de vue de sa représentation, a, je pense, l'importance d'une représentation à peu près totale des Canadiens français du Canada. Je ne parle pas des Etats-Unis parcequ'il n'en est pas question ici.

Q. Je comprends qu'il s'est ajouté aux Canadiens d'origine française des représentants des groupes Franco-Américains ? R. Oui.

Q. Est-ce à dire que ce congrès a eu l'aspect d'un congrès général des personnes de langue française du continent Nord-Américain ? R. Oui. Nous avons voulu donner un caractère plus large à ce dernier congrès que celui qui avait été donné au congrès de 1912, bien qu'en 1912 le Congrès de la Langue française avait groupé toute la population de langue française du Canada et des Etats-Unis. Cette année, les mêmes ont été groupés et nous avons ajouté la république d'Haiti qui fait partie du groupement de langue française de l'Amérique du Nord.

Q. Disons surtout les groupes français des Etats Unis et du Canada qui ont été représentés à ce congrès de 1937 ?

R. Nous croyons, étant donné la part prise par les organisations qui représentent toutes les forces françaises

des différentes provinces du Canada et des Etats-Unis, notre congrès de 1937 représentait en somme la race française du Canada.

Q. Est-ce que vous pouvez indiquer approximativement, Monseigneur, le nombre de personnes qui ont assisté à ce congrès de la langue française? R. Il est bien difficile d'établir des statistiques à ce point de vue.

Q. C'est un grand nombre de millier de personnes, n'est-ce pas? R. C'est un grand nombre de milliers de personnes sûrement.

Q. Comme vous venez de le dire, ce deuxième congrès de la langue française avait un aspect tel qu'il pouvait être considéré comme représentant les groupes de langue française du continent américain? R. Je le crois.

Q. Ces groupes ont un aspect ethnique qui permet à un observateur de les distinguer des autres groupes?

R. Sans doute.

Q. Ce n'est pas quelque chose qu'ils ont récemment acquis, c'est quelque chose qu'ils ont conservé? R. Sûrement.

Q. Il s'est discuté devant la commission ces jours derniers, deux opinions quant à la nature du pacte de la confédération, l'une à l'effet que c'était un pacte entre des organismes politiques comme les provinces de la Nouvelle-Ecosse, du Nouveau Brunswick et de la province des deux Canadas, et une autre, que c'était plutôt un pacte que les représentants de fait des deux groupes ethniques faisant représentation pour leurs groupes respectifs: Est-ce que le comité permanent des congrès de la langue française a jamais spécialement considéré ces deux questions et tiendriez-vous à exprimer une opinion à ce sujet? R. Monsieur l'avocat je ne crois pas que le comité permanent ait eu l'occasion de s'exprimer sur cette question spéciale, mais je suis sous l'impression, cependant, que les Canadiens fran-

çais que représente le comité permanent, quant à exprimer leur opinion à ce sujet, estiment que le pacte de la confédération a un sens plus large encore qu'une entente entre deux races. Il y a entente entre deux races, mais sur bien d'autres questions. Entente préalable il y a eu surtout entre les deux races parce que les questions les plus épineuses qu'il y avait à régler en 1867, étaient surtout certaines frictions qu'il y avait à cette époque là entre les deux races. L'entente a dû porter sur ces frictions et régler les relations qui existaient entre les deux races; mais l'entente a supporté l'entente entre les deux races pour d'autres questions sociales.

Q. Dans le paragraphe 3 du mémoire du Comité Permanent des congrès de la langue française, je lis ce qui suit: "Il fut un temps où, dans tout notre pays, les écoles confessionnelles ou séparées jouissaient de la protection de l'Etat"; je suis sous l'impression que ce n'est pas exact quant à la Colombie-Britannique et que, dans la Colombie-Britannique, il n'y a jamais eu d'écoles confessionnelles ou séparées reconnues par les lois publiques. R. C'est bien ça.

Q. Monseigneur, êtes-vous en état de donner à la commission des statistiques approximatives quant à la proportion de Canadiens de langue française qu'il y a dans les provinces du Manitoba, Saskatchewan et Alberta. Je vois qu'elles sont données dans le mémoire des Canadiens français des provinces Maritimes? R. Pour ce qui est des provinces de l'Ouest, je n'ai pas de chiffres absolument exacts à donner, je n'ai pas ici le recensement de 1931, mais je crois que je puis affirmer qu'au Manitoba nous avons 70,000 de langue française.

Q. Ce serait un peu moins que 10% de la population?

R. Oui.

Q. Dans la Saskatchewan il y en aurait 50,000, et dans l'Alberta, environ 40,000? R. Pour ces provinces, approximativement 5% de la population.

M. ST-LAURENT: C'est toutes les questions de faits que je voulais vous poser, Monseigneur.

Ces mémoires pourront être reproduits comme 351, le mémoire principal, ou bien tous les cinq ensemble.

LE PRESIDENT SUPPLEANT: Ce serait peut-être aussi bien de les produire séparément.

M. SAINT-LAURENT: Alors ils seront produit comme suit:

EXHIBIT NO. 351 - Mémoire du Comité Permanent des Congrès de la Langue française.

EXHIBIT NO. 352 - Mémoire des Acadiens et des Canadiens-Français des Provinces Maritimes.

EXHIBIT NO. 353 - Mémoire des Canadiens français du Manitoba

EXHIBIT NO. 354 - Mémoire des Canadiens français de la Saskatchewan.

EXHIBIT NO. 355 - Mémoire des Canadiens-français de l'Alberta.

LE PRESIDENT SUPPLEANT: Encore une fois, merci, Monseigneur.

(suite à la page 8487)

THE ACTING CHAIRMAN: Mr. St. Laurent, have you any statement to make?

MR. ST. LAURENT: I do not think there is anything more to come before the Commission at this time, Sir. A letter was addressed to Mr. Beaulieu, representing the provincial government, informing him that it would be the desire of the Commission, if it were convenient, to hear the deputy ministers and the chiefs of the various provincial services on the question of overlapping. There has been no official answer from that quarter, and in consequence, I have no representatives from those departments to be heard before the Commission this morning.

The only other matter is that I think it might be convenient to have transcribed in the minutes of proceedings the written questions that were addressed to Mr. Beaulieu for the consideration of the provincial government, - questions along the line of those that were submitted to the governments of the other provinces. With your permission, I would like to suggest that the Reporter transcribe these questions in the minutes of proceedings, and that a copy be filed as Exhibit 356. That is all, Mr. Chairman.

EXHIBIT No. 356. Questions submitted
to Government of
Province of
Quebec.

"QUESTIONS ON WHICH THE COMMISSION WOULD BE GLAD
TO HAVE THE VIEWS OF THE GOVERNMENT OF QUEBEC.

1. In the light of the economic and social developments of the last 70 years, is the Government of Quebec of opinion that there should be any change in the financial basis of Confederation or in the distribution of legislative powers. If such is the opinion, what changes does the Government of Quebec suggest?

2. This Commission is required to report as

"to whether taxation as at present allocated and imposed in Canada is as equitable and as efficient as can be devised. Does the Government of Quebec suggest any change in the present system of taxation.

3. In view of total tax burden in Canada is it the opinion of the Quebec Government that the weight of taxation in Canada is too great and should be reduced? If so, has the Quebec Government any suggestions as to the nature and method of such reduction?
4. It has been suggested to the Commission by the submissions of certain of the Western Provinces that the weight of taxation should be reduced by refunding of the public debt at lower interest rates. Is the Government of Quebec of opinion that refunding would be feasible? If so, is it the opinion of the Quebec Government that a scheme of refunding should be accompanied by some form of debt control to prevent a re-accumulation of an undue burden of debt? Would the Quebec Government suggest any machinery for debt control which it thinks would be acceptable?
5. If a particular province finds itself financially unable to carry on, should it, in the opinion of the Quebec Government, be allowed by the rest of Canada to default, or should assistance be given to it? If assistance is desirable, in what form should it be given, and what machinery should be provided for determining the nature and manner of such assistance?

Since 1867 subsidies from the Dominion to the provinces have formed a fundamental part of

"the provinces have formed a fundamental part of the Canadian financial structure. Is it the opinion of the Quebec Government that subsidies to some or all provinces should continue to form a part of the Canadian federal structure? If so, how should such subsidies be determined? Should they be fixed or variable? Should they be determined by bilateral agreement between an individual province and the Dominion, or should they be determined by some body analogous to the Australian Grants Commission? What should be the principle upon which the amount of subsidy should be determined - should it be on the basis of population, on the basis of 'fiscal need' conditioned if necessary by safe-guards as in Australia (as has been suggested by some submissions to this Commission), or upon some other basis?

7. In the light of past experience does the Quebec Government consider that the method of conditional subsidies by the Dominion to the provinces is generally satisfactory in the Canadian federal system?
8. It has been suggested to the Commission in many submissions that the present system of municipal taxation in Canada places an undue burden on real estate and has retarded economic recovery. In the opinion of the Quebec Government is this condition present in the Province of Quebec? If so, what suggestions has the Government of Quebec of steps which might be taken to relieve this burden on real estate?
9. What is the opinion of the Quebec Government concerning municipal taxation of
 - (a) Government owned commercial enterprises

- "(b) Government owned utilities
- (c) Government buildings, and
- (d) Other Crown lands.

10. Would the Quebec Government indicate any cases where overlapping or duplication exists between the activities of federal and provincial government departments? Has the Quebec Government any suggestions as to how the expense of government may be reduced by lessening overlapping of services or increasing co-operation between Dominion and Provincial Departments?
11. In the opinion of the Quebec Government, can economies be effected for governments and individuals in the collection of taxes? What is the opinion of the Quebec Government of a system of combined collection of taxes similar to the method of joint collection of the Dominion and Ontario income taxes?
12. In many submissions to the Commission protest has been made on account of the system by which succession duties in Canada are imposed; resulting in double or triple taxation of the same state by several provinces, and tending toward the immobility of capital. In the opinion of the Quebec Government does hardship and injustice result from the present manner in which succession duties are levied by provincial governments in Canada? If so could the Quebec Government suggest means whereby such hardship and injustice could be avoided?
13. What is this Government's view as to the suggestion advanced to the Commission that old age pensions should be placed upon a contributory basis and apply to all citizens of Canada? Should the scale of pensions be uniform throughout Canada, or

"should there be variations in accordance with different standards in different places?

14. In the opinion of the Government of Quebec, is the present arrangement as to unemployment relief satisfactory? If not what changes would the Government of Quebec suggest?
15. In the opinion of the Government of Quebec should jurisdiction in connection with unemployment relief and unemployment insurance remain with the provinces, or should it be transferred to the Dominion?
16. In the opinion of the Government of Quebec are there any social services which are now within provincial jurisdiction which this Government believes should be transferred to the Dominion? If the Government of Quebec is of the opinion that social services should be transferred to the Dominion, what revenues, if any, is the province prepared to transfer to the Dominion in order to meet the cost of such services?
17. Does the Government of Quebec approve of the recommendation of the Trades and Labour Congress of Canada that the jurisdiction over labour legislation, such as that concerning industrial disputes, minimum wages, hours of labour and weekly day of rest, should be transferred to the Dominion?
18. To facilitate conferences between the Dominion and the provinces, and in the light of experience at past Dominion-Provincial Conferences, what is the view of the Quebec Government of the suggestions advanced by the Nova Scotia Government that there should be annual Dominion-Provincial Conferences convened at a regular date each year, with a per-

"manent secretariat for research, collection of statistics and to prepare agenda? Or would less frequent but regular conferences be desirable?

19. It has been suggested to the Commission that for greater flexibility in the constitutional framework provision should be made in the British North America Act for delegation or transference of legislative power from a province to the Dominion or vice versa. Does the Quebec Government believe that flexibility would so result, and, if so, that it would be a desirable result?

20. Is it the view of the Quebec Government that any economies for governments and individuals would result from the attainment of uniformity in company law, securities, frauds regulations, and company returns?

21. In the opinion of the Quebec Government should any alteration be made in the constitutional jurisdiction over insurance?

22. What is the view of the Quebec Government as to inclusion in the Canadian constitution of safeguards for fundamental rights of citizenship, such as freedom of speech, of the press, of assembly, and of access to the Courts?

23. Is the Government of Quebec of the opinion that Canada should have the same power to legislate with respect to implementing international treaties and conventions under the present status as she had under former status in respect of 'Imperial treaties'?

THE ACTING CHAIRMAN: Then I will declare the sittings in Quebec closed, and the Commission will resume in Fredericton, Wednesday Morning, May 18th.

(12 o'clock noon the Commission adjourned, to resume in Fredericton, N.B. at 10.30 A.M. Wednesday, May 18th. 1938.)

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